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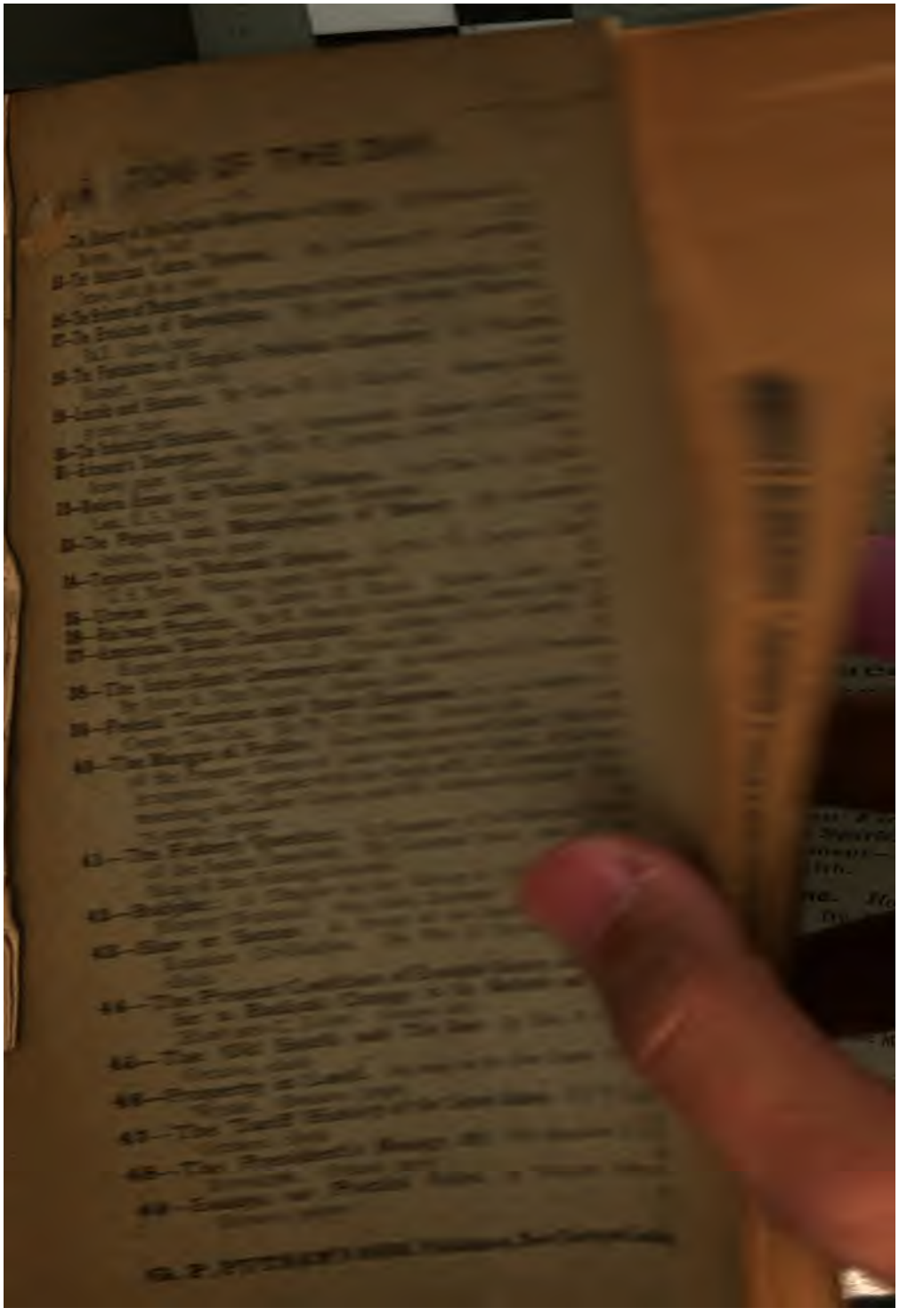

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Questions of the Day. No. LIII.

THE TARIFF AND ITS EVILS

OR

PROTECTION WHICH DOES NOT PROTECT

BY

JOHN H. ALLEN

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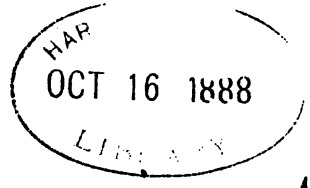

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PREFACE.

An experience of many years as a ship-owner and merchant has convinced me of the dangerous character of what is known as "protection," and has made me familiar with many of the evils arising from it. The following pages are the outcome of my study of the subject and my practical acquaintance with the working of the tariff.

As regards the true province of government in relation to trade and commerce, I cannot do better than cite a few paragraphs from the preface to Professor James E. Thorold Rogers's edition of Adam Smith's "Wealth of Nations" (Macmillan & Co., Oxford, 1869):

"The modern science of Political Economy has been developed from a host of negative deductions. Statesmen, misled by the selfish misrepresentations of reputed experts, have from time to time controlled and misdirected trade in the fancied interest of trade. They have attempted to be wiser than nature. They have seen that order and government have been necessary to the well-being of society, and that confusion and mischief are the invariable result of uninstructed self-interest. But, forgetting that the business of government is to check aggression only, and to secure every man a fair field for the exercise of his own labor, they have unconsciously aided aggression, curtailed liberty, and narrowed the field

in which labor could exercise itself. There is, of course, a border-land, for the occupation of which the advocates of liberty and control constantly contend. The wisdom of government is to extend the area of government, and, with it, to assert the just control of an administration over the innocent acts of its individuals. Such a line of action on the part of a government may be adopted with the best possible intentions. Such a policy found its earliest and most complete refutation in the reasonings which are contained in the 'Wealth of Nations.

"It is almost superfluous to say that the protection of the manufacturer or merchant is a delusive boon. It is true that if the demand of a nation is urgent—if the article it requires is produced from a limited area, over which the favored producer has control, and for which a substitute cannot be found elsewhere, and if, besides, the number of persons engaging in the trade is strictly limited, —the monopolist will have an enormous advantage, and will speedily obtain a great fortune. But no such article, conditioned as is described above, has ever yet existed. Nor, again, could any Legislature, other than one wholly barbarous or rapacious, ever agree to stint competition in the supply of the necessaries of life. Hence, whatever may have been the early advantages of those who have been protected, the superior profits of any particular trade or manufacture are soon neutralized by competition. Nay, since the value of such Government aid is generally overrated on the part of those who are invited to enjoy it, it is ordinarily found that the average profits of protected trades are lower than those which are obtained from unassisted industry. Commercial history will supply a host of instances illustrating this position. Such trades and

manufactures as cling to protection are continually crying out that they are being ruined, even under the advantages which a legislature gives them, and, like drunkards vitiated by dram-drinking, are perpetually demanding additional stimulants and provocatives."

I have endeavored to deal with the subject of this volume in a practical manner; and while introducing statistics that have a special bearing upon certain portions of my argument, I have preferred to rely in the main upon principles which are the basis of all successful enterprise and upon which all healthful industries must rest. The increasing degree of attention which is being given by the American public to the subject of the tariff, and its importance to all classes of our citizens, justify me, I believe, in adding my contribution to the discussion.

JOHN H. ALLEN.

BROOKLYN, N. Y., September, 1888.

CONTENTS

I.

PAGE

THE HOME AND THE FOREIGN MARKET . . . 1

Absence of economic truth retards the development of wealth from the resources nature has placed at the command of every people.

II.

THE MEANING OF A SURPLUS 14

Indicating the injury inevitably attaching to Society through the inculcation of false doctrine.

III.

THE SOURCES OF WEALTH IN THE COMMUNITY . . 27

Impairment of the resources of the state from any cause whatsoever the greatest danger which can confront its people.

IV.

THE PRINCIPLES GOVERNING DEVELOPMENT . . 40

The principles governing the existence and development of the human family have universal applicability and are permanent.

V.

ECONOMIC TRUTH ESSENTIAL TO PROGRESS . . 58

The wilful neglect of the application of economic truth portends grave disaster to the state.

VI.

PAGE

THE UNWRITTEN LAW OF COMMERCE THE TRUE GUIDE 71

The evils of attempting to maintain prices for the essential commodities by statute instead of leaving them to the unwritten law of commerce.

VII.

PROTECTION POWERLESS TO PROTECT THE CARRIER. 84

Shrinkage in the volume of commerce, whether caused by commercial revulsion or other agencies, first affects transportation.

VIII.

SUBSIDIES TO SHIPPING HASTEN THE ISSUE . . 93

The fallacy of subsidies, or the unreasonableness of the proposition that the mercantile marine shall be restored through the factitious aid of subvention.

IX.

PROGRESS OF BRITISH, AND DECLENSION OF AMERICAN SHIPPING 101

Comparison of British shipping with that of all other nations combined, showing its marvellous growth in the short space of fifteen years under unrestricted commerce.

X.

THE DESTRUCTIVENESS OF THE TARIFF TO OUR FUNDAMENTAL RESOURCES 111

Analysis of the tariff as it affects the farmer, illustrating the conditions under which he produces and disposes of his crops.

THE TARIFF AND ITS EVILS.

CHAPTER I.

THE HOME AND THE FOREIGN MARKET.

Senator John Sherman is reported as having said in a speech delivered at the banquet of the Home Market Club in Boston: "When I think of the contrast between our home market in magnitude and proportion, the universal benefit of the one, and the comparative unimportance of the other, I am led to wonder why so many gentlemen of education and character are willing to endanger the wonderful development of our home industries to increase our foreign commerce." The query which naturally suggests itself when considering such a thesis is: Can it be possible that any considerable body of men distinguished in matters of government really believe it? It is difficult to believe that they do, for we are apt to associate with a long career of public life some practical knowledge of those economic truths which always have been, and will always continue to be, the foundation of all successful industrial and commercial enterprises. If partisans like Mr. Sherman do not believe what is attributed to them; if their inward convictions are not in harmony with the outward expression, advancing specious though disingenuous prop-

ositions in support of a system which cramps the energies of the people, diverts the wealth of the nation into little by-channels, forces a large minority of the wealth-producing classes into constant idleness by which the resources of the State are being constantly and rapidly impaired,[1]—what hope have the people in the men whom they have elevated to high office and to whom they look for ameliorating, as far as possible, those onerous condi-

[1] During the short space of 15 years the following standard Marine Insurance Companies in the city of New York alone closed up their business and obliterated themselves as corporate commercial (*Marine*) associations: COLUMBIAN INS. CO., MERCANTILE MUTUAL INS. CO., UNION MUTUAL INS. CO., HARMONY INS. CO., WASHINGTON MARINE INS. CO., INTERNATIONAL INS. CO., METROPOLITAN INS. CO., SECURITY INS. CO., MANHATTAN INS. CO., PACIFIC MUTUAL INS. CO., GREAT WESTERN INS. CO., SUN MUTUAL INS. CO., ORIENT MUTUAL INS. CO., PHENIX INS. CO.

When we are disposed to be misled by rhapsodical effusions into the belief that we, as a people, in one generation, under a system falsely called protection, have amassed the largest share of the world's wealth, a little reflection will have a steadying tendency and perhaps lead us to pause before going further. Those organizations, be it remembered, represented vast sterling capital. They were identified with the foreign and domestic commerce of the country, the exigencies of which brought them into being; the guaranty or indemnity furnished by them for a consideration, and which was capital's reward, being the foundation of those credits without which, under modern methods of conducting business, the movement and exchange of the products of labor become an impossibility—clearly a stoppage of the wheels of commerce. What became of that vast capital? It could not have received more profitable employment elsewhere from the fact that when the price for loans of capital was double what it is to-day real property and the essential consumable commodities were greatly lower in price than we now have them. The truth perhaps would reveal the unpleasant fact that that capital was, like the organizations themselves, actually obliterated, as well as the industries which created them and from which they derived their sustenance.

There cannot be found in the world's history, either ancient or modern, a parallel to this commercial degeneracy and industrial destructiveness. Just why and how we endure it will be made clear as the reader advances.

tions which nature, in the first instance, seems to have imposed on man, and which civilization, as we understand it, has done little else than emphasize?

The true—the only—function of government, when narrowed down, is merely an intelligent dealing with natural conditions. Failing to perceive them implies want of penetration. Perceiving them, yet being unable to grasp and utilize them in the higher and broader sense, evinces absence of those qualities which constitute statesmanship, while perceiving them with power to lay hold and direct in the interest of the whole people, yet avoiding it, is as dishonest as it unquestionably is destructive.

The truth is the "foreign market," disguise it as we may, is the barometer of the "home market," and "foreign commerce" is just as essential to our prosperity as are our "home industries." They go hand in hand, one being the complement of the other. Watch, in the mind's eye, those huge and stately ocean-vehicles (unfortunately too few bearing the American flag,[1] the distinguished Senator having, in his delusive policy, only too well succeeded in assisting the European in building these largely at our cost and to the destruction of our own) momentarily darting from one or another of our harbors along our unrivalled coast, laden to the brim with the products of the soil and the forest,—would that we could add of

[1] Americans imparted to the English as well as other maritime peoples the principles of ship construction as we see them to-day in their splendid sailing fleets, and as for steamers, have not Europeans adopted every idea embodied (in form) in the American steam "liner" of nearly forty years ago, discarding, step by step, their own impracticable oddities until to-day we see them a counterpart of their prototype; lengthened, it is true, by adding to the mid-ship sections, which the substitution since then of iron and steel for wood in construction, on account of their superior strength, permits?

the factory and workshop as well, the most valuable of all exports, because in these is represented greater labor and of course a more potent means of exchange. That the product thus borne from us is annually measurably less than the like product consumed or absorbed by our own vast population is natural enough, but to characterize the one as of "universal benefit," while stigmatizing the other as of "comparative unimportance," is only another way of saying that even that might profitably be dispensed with. Who can estimate the mischief resting on us as a people through such teaching?—the astonishing thing about it being the almost universal belief in it by the classes on whom rest the burden. That they *know* it is there and *feel it* is evident, but just how it got there is not, to them at least, quite so clear; nor are they, as yet, disposed to be relieved of it.

This export incessantly going on—*our moiety* of contribution to the fulness of our foreign commerce—is the *life* of the nation. It represents *the surplus:* that is to say, something which cannot be absorbed by ourselves, our requirements in those staples being provided for or supplied. When it is considered that in all communities the world over—and such has been the case in all recorded time—nineteen men in every twenty have nothing provided for the morrow, which is equivalent to saying that the vast majority of every people obtain the day's subsistence for that day's labor, it is inevitable, in the absence of abnormal conditions, that we have with us a constant redundant surplus. This is the result of two causes: first, because this daily necessitous toil, in a land richly endowed in resources, produces largely in excess of consumption; secondly, inasmuch as nature intended that

the whole earth should be necessary and subservient to man for all his requirements, she has distributed her resources so variously that the production of one section becomes the necessity of another, one balancing the other, our surplus products being the measure of surpluses which we command from other lands,—the *other moiety* being represented in the return cargoes of these carriers, and together constituting what Mr. Sherman calls our comparatively unimportant foreign commerce.

That this commerce is small compared with the volume of domestic productions is unfortunately too true, and it is ascribable to that delusive system which forces capital and labor into industries less productive of results than we should find them if left naturally to themselves. The more stringent the system (that which the distinguished Senator and his protectionist party are advocating in opposition to President Cleveland's just, humane, patriotic, and statesmanlike policy) the quicker the ruin, because the result is a decrease through misdirection of labor of the purchasing power of the people, or, what comes to the same thing, a smaller supply of those things we require than would come to us if each were free to pursue that vocation (man's natural right, but which governments, unfortunately, of whatever form they be, are too apt to alienate) which is best suited to our condition and requirements.

The charming picture so artfully presented by the protectionist juggler when he delineates the pretended phenomenal advance of the country in wealth through the policy of excessive taxation, that home industries may prosper, and its beneficence primarily to the workingmen, is a delusion and a snare. How much longer shall we, as

a people,—for it comes home to every one of us,—be imposed upon by it? The whole system, root and branch, whether viewed in its social, industrial, political, or moral aspect, is nothing short of an unmitigated evil. The truth is, we have as a people, under this baneful system, made a fearful recession in wealth. It is not too much to say that had this been done under qualified or restricted suffrage the Cromwellian method for rectification of great wrongs would, long ere this, have been resorted to. Furthermore—and in this perhaps may be detected the germ of a still greater evil—it has taught the crafty politician that under what we have considered the benign and protective system of manhood suffrage, the masses may be despoiled in the interest of a class, and that they are estopped from saying a word about it.[1]

According to the census figures of 1850, which the most ardent protectionist even must admit are as accurate data as it is possible to obtain, the assessed value of our real estate was $3,899,226,347 and personal property $2,125,440,562: total, $6,024,666,909. During the next decade, under an exceptionally low tariff and for a portion of the period free trade with Canada, real estate increased to $6,973,006,049 and personal property to $5,111,553,956: total, $12,084,560,005. In 1870, we having meanwhile

[1] In the year 1850, 85 per cent. of the total real and personal property was reached for purposes of taxation. In 1860, 75 per cent. responded to the needful call. In the next decennial year 51 per cent. escaped altogether, while for the next decade, ending in 1880, 61¼ per cent. managed to shift the obligation from its own shoulders to those of others; indicating that, whatever may be the principles of our mode of governing, the practice of legislation unmistakably is in the interest of capital—making the rich richer and the poor poorer by saddling labor, instead of its increment, with, practically, the total cost of the general government's maintenance.

changed the tariff from substantially a revenue to a protective one, real estate stood $9,914,780,825 and personal property $4,264,205,907: total, $14,178,986,732. At the end of the next ten years real estate stood $13,036,766,925, personal property $3,866,226,618: total, $16,902,993,543, or, say, an increase, after twenty years of effort—covering a period generally accepted as the most progressive in development in our country's history,—under a tariff stimulus (the highest we have ever had) averaging upwards of 47 per cent., of only $4,818,433,538, or 39⅞ per cent.; population increasing meanwhile 59⅓ per cent.; whereas, in the ten years ending with 1860, under an average tariff of less than 21 per cent.—the lowest in practice we ever had,—population increasing only 35⅝ per cent., we made a gain in the *evidences* of *actual wealth*—the increment, so to speak, of our productive labor, or what was left to society from it after our necessary wants had been supplied—to the value of $6,059,893,096, or upwards of 100 per cent., the per capita of population (and in what other way may the ordinary man and woman view with complacency the wealth of the nation?) being, in 1860, $384 against $337 in 1880.

These sums do not, of course, represent the value of our total holdings at those periods, nevertheless they give an accurate idea of the permanent or realized wealth of the country, the *gauge* of actual progress. Forty years ago, when England was divesting herself of her incubus of protection, we had per head of population $625,[1]—

[1] Doubtless this will be considered under-estimated, and, indeed, it does seem low when it is considered that it is the result of the labor of seven generations of persistent toilers, and it is largely under what many have estimated it to be; nevertheless, as all at the best must be more or less conjecture, this is as likely to be near the truth as another's.

that is to say, that value in the aggregate in those things termed wealth, by which is meant every thing within the country or owned by it having exchangeable value; accumulated largely without the adventitious aid of machinery and modern appliances, and under a system of taxation, counting from the time we commenced making it—which was some years beyond what we are apt to imagine,—designed substantially for economical and business-like administration of governmental affairs. England, at that time, charged by the advocates of our delusive system with having amassed enormous wealth under like suppressive laws, possessed what represented value to the extent of £150, sterling, or $725, per capita, accumulated after centuries of effort under the demoralizing system she so happily transferred to us.[1] To-day, after the lapse

[1] In the same breath that country is referred to as a "nation of paupers," pursuing industrial vocations fit only for "hireling mendicants," the incongruity never apparently arresting their attention.

A pauper is an adult who does not through his own labor create a fund equal to his consumption, and must needs have the deficiency supplied to him by almsgiving. Who can produce the slightest evidence that this is the condition of the English craftsmen, for it is that class protectionists have in mind when they refer to (by inference the *efficiency* of) the "pauper labor of England."

A little reflection must convince any one of the absurdity of this, because if it were true there could not have been that advance in wealth which we know has been realized. On the contrary, in a very short time, the substance of the country would be exhausted, just as would be the individuals who, instead of living from the income of his estate, annually encroached on his capital. If—what is admitted by every protectionist—those paupers produce well enough, but at "starvation wages," is that not giving protection's case away?—the whole thing resolving itself into, according to their own line of reasoning, not a question of free labor and an unrestricted exchange of the products thereof, the hated English system, against the *corralled* labor and the circumscribed diffusion of its results, the attractive

of forty years—under the advantages of boundless virgin soil, comprehensive climate, illimitable forests of valuable timber, ores and minerals in such rich abundance that the labor of man in one day gives results, in many instances,

American system, but in a more equitable division of the wealth which their labor, combined with capital, produces. This is the real question, protection so-called being introduced merely to befog the issue.

But here, again, the assailants of the English system are unfortunate in their premises. No one country has a monopoly of spoliating the workingman. That is done in free republican America quicker and deeper than monarchical England ever thought of. If workingmen in the United States are more affectionately approached by public men than is the case in other countries, it is because they have ballots in their keeping. Deprive them of that privilege and they would receive just the same consideration from their masters as do the laboring men elsewhere. That the franchise, or "protection," or both, give them a larger share of what they produce than their English fellow-workers receive, cannot be substantiated. As a matter of fact they do not receive as much, evidence of which will be found in the far greater absence of liens on property held by the middle classes in the United Kingdom than is the case in the United States; the impossibility of making, in that country, as is done in this, in the course of a dozen years or less, in manufacturing, mining, and scheming, fortunes of startling magnitude, feasible because the laws of the country are so framed that not only are those who create the wealth deprived of their rightful share of it, but in its manipulation thereafter sixty millions of people are, through our taxing system, levied upon through nearly all the articles of needful consumption for the monopolist manufacturer's, special behoof; while the "common people"—those who toil at menial and manual labor for their daily subsistence, for "starvation wages"—are depositors in the institutions established in that country for banking and investing their small savings, to the extent of 14⅛ per cent. of the population, the ratio of depositors to population in the United States being only 5⅝ per cent., the former being richer than the latter, in frugal savings, to the extent of 11 per cent., while the excess of depositors in the United Kingdom, in proportion to population, being no less than 300 per cent. over the same in the United States! with the still further advantage—and it is by no means a small one—that those savings have the power of supplying just double the quantity of those things which the people are in the habit of purchasing than the similar savings in this country can purchase among ourselves.

equal to that of two days in other countries; the universal application of steam and electricity in production and exchange of those things which constitute wealth—we certainly should have, at the lowest estimate, $1,500 per capita; but what are the actual facts? We will state them. While England, under her forty years of commercial freedom, with scarcely a single natural resource worth mentioning (if we except her "pauper labor") compared with our own, has advanced to £250 sterling, or $1,210, per head of her population, we, under our system of industrial slavery—assuming the population to be 60,000,000, the current estimate, and the total wealth, counting every thing we have, $60,000,000,000, the maximum stated by the greatest expansionist—have advanced only to $1,000.[1] Humiliating as this statement is, further ex-

[1] It will be answered:—That is hardly a fair way to reach it. Immigration is so great that if we divide in that way with those bringing nothing of course we cannot have much per head,—a line of reasoning which, while destructive to the proposition itself, sufficiently condemns the system which produces it. Immigrants are, as a rule, adults. Those coming to us of their own motion, taking them as a whole, are the cream of workers. It is by such that wealth is made and extensively so in this country, their labor on our fruitful soil and in the prolific mine yielding largely in excess of consumption, the net result remaining with us as part of the realized wealth. So highly has this class of laborers been esteemed as wealth-producers that it has been the settled policy of this country for generations—as it is to-day, notwithstanding the make-believe restrictions to the contrary—to spare no effort in encouraging them to come to us, each being considered an acquisition equal to, in value, one thousand dollars, though that sum does not begin to represent the cost to society in the sections from whence they came for making them, as any one may see for himself who will, from his own experience, estimate the cost in bringing to adultship his own child; remembering that this is just as much in one country as in another; therefore does it not follow that if we get artisans and common laborers from other countries instead of making them ourselves, we must, or should be, immeasurably richer for the gift, since these share and produce above con-

amination will make it still more so. We attach to wealth an abnormal and factitious value, it being the popular error that the dollar or the dollar attachment to a substance is what constitutes its real worth.

We see this on every hand in our every action, and the idea is a most pernicious one. It is protection's dearest bantling. Give the wage-workers—ay, and the salaried man as well—the dollars and cents they demand for their labor, and they will give no thought to what you make their rent, food, clothing, and service. Hence the dollar of to-day is not the representative it was forty years ago. It is safe to say that the standard of measure which gave $625 per capita of population would not, if applied to our nominal wealth of to-day, rate it beyond $700.[1] Indeed, if we apply to it the international measure—that which, after all, governs our surplus, and for that very reason that to which we must come eventually if we would not be forced to retire commercially within ourselves—it is questionable if it would be rated much

sumption, whereas the infant, for twenty years, shares and exhausts but contributes nothing? Our small per capita of wealth cannot be charged to immigration; that portion of the population coming from it has contributed its full quota to the national wealth. Ascribe it, rather, to the system which dooms to constant idleness, or directs to vocations more destructive to wealth than idleness itself, a third of our adult population and society's capital in the same ratio.

[1] The paper money in circulation, amounting to about 875 million dollars, though considered as capital in the national assets, is, like many other of our fallacious things, not capital in the sense that it is wealth. At the best it is but *fiat* money—mere paper—worth, as wealth, just what it cost to make it, which, practically, was nothing; its value or efficiency depending entirely upon the resources of labor—not from the past, but what is to come in the near and far future. If that sort of thing is capital, then we need only select eligible streams, erect mills, and obtain ink and rags to become wealthier than the world beyond ourselves.

beyond $500.[1] England, on the contrary, attaches to her increment a much smaller monetary value, her pound sterling of the present being a higher representative than it was when she was laboring under similar repressive laws, or about the same measure as our tender at that period. In what may be called her consumable commodities we find this quite marked, and it becomes greatly so when we come to her real, permanent wealth. For example, a house on Fifth Avenue having attached to it a monetary value of, say, $200,000, would not in London, in an equally eligible situation, be rated at over one half —perhaps not more than one third—of that sum. We could, if necessary, multiply such instances indefinitely, the result, not of hap-hazard, but of an enlightened progressive system; the secret, if we would but appreciate it, which has given to England her well-merited commercial predominance, assisted in destroying the valuable ship-building industry of our country, together with its useful and educating collateral branches, and driven from the sea a highly productive American mercantile marine which, when wiser councils prevailed, excited the envy and admiration of the world. King Charles was deprived of both his crown and his head for taxing, merely, ships—the symbol of wealth even in days when people lived within themselves more than now. Our rulers not only taxed inordinately the tonnage of the nation, but eventually, through laws devised for their own enrichment, destroyed it altogether, coolly asking for commendation on the ground that it was scarcely worth possessing. And this after they had made it so!

[1] The total taxable property real and personal in all the States and Territories in the year 1886, when the population verged on 59,000,000, was only $21,387,500,000, or $362.50 per capita.

It follows, therefore, that in those things which constitute wealth, Great Britain, with her inferior advantages and her "home market" open to the world, though not necessarily in its possession, is far in advance of us, $1,210 measuring per capita what she possesses, while $700, putting the case as favorably as possible,—stuffed as we have been with a system ingeniously foisted on the people as "protection," yet lacking every essential of that quality,—measures our own!

Give the protectionists, so called, the home market, as they want it, in their own way (what they can never have, however) for another quarter of a century, and our increment may probably be covered, per capita, with a fifty pound Bank of England note.[1]

[1] It would be difficult to present a more striking exemplification of "*progress and poverty*" than the port of New York has presented almost any day during the past two or three years in the scores of magnificent pleasure vessels costing from $15,000 to $150,000, while near by lay an equal number of majestic merchant ships intrinsically costing as much, but which were, through unequal and vicious laws—laws so framed as to encourage and make possible that more than princely extravagance—not only relegated to idleness, but reduced, as vehicles of traffic, to almost complete worthlessness.

CHAPTER II.

THE MEANING OF A SURPLUS.

"A surplus is a great deal better than a deficit. . . . It is the rational and steady result of our increase in wealth and population, growing out of the policy of protection to home industries. . . . The foreign market is a most uncertain, unstable, and variable market, depending entirely upon accident of a good or bad crop." [1] *Vide* Sen-

[1] The popular notion that our exalted tariff excludes the productions of foreign labor, and thereby aids our wage-earners by securing to them the "home market," with its "steadier employment" at "increased compensation," is without the slightest foundation in fact. There are many valuable industries which could not, it is true, sustain themselves if the product of similar foreign industries could be placed before the American consumer free from taxation—assuming that the tariff covered the rest,—because it must be evident that, like the system under which the farmers produce, the cost of the elements of their manufacture would be adjusted to protective prices, whereas their product would have to be sold in competition with the free commercial priced article,—perhaps as good a reason as can be adduced for the impracticability of dealing with the tariff in detail. It is our ability, taking our industries as a whole, to produce cheaper than other peoples those things indigenous to our soil and climate, which excludes the foreign article, and not the tariff. Foreign iron is not excluded from our country because we tax those who consume it in a sum exceeding 90 per cent., taking one kind with another; nor would 1,000 per cent. tax exclude it if the cost of our manufacture exceeded the cost of the foreign, assuming, of course, which would be the case, that other industries received equal "protection." No one understands this better than those who profit annually to the extent of hundreds of millions of dollars by the delusion, and if workingmen, who have in their votes the power to correct the monstrous

ator Sherman's "home market speech" at Boston. We have in this what may be called the second proposition in defence of the tariff for protection and a bid for its continuance with renewed stringency. The thing sounds well, but will it bear analysis? Let us see.

The national revenue, as we all know, is derived principally through the custom-houses from a tax levied on imports—the consumable things which decency and comfort demand that every one of us shall have. We also know that under a most liberal regularly prescribed expenditure and needlessly extravagant special appropriations the fund constantly flowing into the Treasury cannot be gotten under $100,000,000. This, certainly, does not indicate that our people have their wants and requirements provided for them through their own labor from our soil and through our workshops—what is meant by the phrase "possessing the home market,"—notwithstanding the five-and-twenty years of tariff, exhortation and effort, directed to that end. Still more difficult is it to see just how the importation on which these enormous collections are made is "the result of our increase of wealth growing out of the policy of protection to our home industries." The articles exported by us, which are exchanged for those goods, the mere tax upon which when they are entered at the custom-house furnishes almost, if not quite, two thirds of the unnecessarily large expenditure of the Federal Government and which is in itself quite sufficient for an economical administration of the affairs of state, are,

inequality, refuse to look into it, they will have none but themselves to blame for the condition they find themselves always in, and against which they are incessantly protesting.

primarily and principally, wheat and corn, beef pork and lard, dairy products, raw cotton, timber and naval stores, tobacco and petroleum, copper, silver, and gold. With small exception these pay for the imports. Now in what way, it may be asked, are the producers of any of these "protected through the tariff"? What country in the world, even under the large monetary prices which we attach to our commodities (a measure as delusive as it is handicapping, and directly traceable to the policy miscalled protection), could send the least of these—excepting, perhaps, certain grades of tobacco required for blending and which we have not yet produced—to us to be marketed in competition with our own? It is not conceivable that any peoples yet known to us could, in the smallest appreciable degree, trench on what must be considered our special domain, for in what we have enumerated, if we have not a monopoly of them, yet we have them in such rich abundance from the minimum of labor through nature's overflowing bounteousness—notwithstanding every instrument and agency used in their production have nearly double prices attached to them through the instrumentality of the tariff—that not only do we exchange in countries not producing these special things in competition with peoples which do, but actually meet these very competitors, if not as profitably as we could wish, yet successfully, in their own countries on their own producing ground! How, then, is it possible that in the production of those articles forming our exchanges and which constitute a moiety of our much-maligned foreign commerce, the people producing them are to be "protected" beyond what nature has already done for them? The bare suggestion of a tariff for such

a thing is so obviously absurd that one would be disposed to laughter were it not for the ever painful fact that the almost universal belief in it has stricken us too severely to admit of that sort of mirth.[1]

[1] The tariff is maintained on the assumption that it taxes the foreigner's goods when they are marketed in this country, and to the extent of the tax handicaps those who make them, the producers of similar goods among ourselves being favored to the extent of that levy, and therefore, as a matter of course, increases the wages of their labor in like proportion. If this were true, nothing could be said against a tariff for protection, for unquestionably our first duty prompts us to take care of ourselves, by which is meant not only Americans against aliens, but the people of one State against the people of another State; for is there not just the same necessity, and precisely the same disposition, on the part of the lumberman in Maine, when seeking his needful living, to wrestle with the cheaper lumbermen of Michigan and Florida, who are threatening his existence, as there is for similar action with the men in Canada and Norway?

If the so-called protective tariff is a good thing for the United States because it adds, as it is claimed, wealth to the country, does it not follow that States, and communities even, by adopting a similar protective tariff, must add to their prosperity by increasing the individual opportunity?

It will be answered: Oh, we cannot do that! We are, as you know, of one political faith. But what has that to do with it? If a federal tariff in the scope of its operations enlarges the wealth of the United States, surely a State tariff must operate to the same end by increasing the possessions of the individuals of the State? The answer will be: Oh, protection, you see, is always at the foreigner's cost! He is forced to sell his goods at a price less the duty. In that way we mulct him!—implying that commercial morality must be governed by political affiliation.

There may be in all this something plausible, and indeed there must be, for it is evident that it obtains almost universal belief; nevertheless there is just as much truth in it as there would be in the declaration that Massachusetts manufacturers sell their goods to the South Carolinians for less money than they would sell the same goods to the English, merely because the former held to the same political doctrine! When driving bargains, do we not find the New Yorker as keen and as exacting with the Vermonter as he is with the Hollander? What cares he, in his personal gains, for political faith or nationality? Not a straw! It cannot be truthfully

That we in some way pay for our imports is evident, but to ascribe our ability to do so to the "rational and steady result of increase of wealth through the policy of protection," is equivalent to saying that if you shorten the hours of labor and then take from the produce of that labor one half, you have in the net result more product and greater exchangeable medium than if more labor had been expended and a slice instead of one half taken from it. The truth is, from an economic-industrial point of view, the tariff is, and has been, a fearful load to carry. It is cumbrous, ill-fitting, inimical, and in every way unsuited for a people so cosmopolitan in instinct and aspiration. Whatever advance in wealth that has been made is due, not to the tariff, but in spite of it,—to be ascribed wholly and solely to our natural and acquired resources,—the instinct and necessities of man, coupled with these, prevailing against the crude theories and selfishly destructive enactments of subservient legislatures.

To Col. Fred. Grant is attributed the exceedingly sage observation that "a surplus is easier dealt with than a deficit." At once the protectionist organs took it up, heralding it over the country as if it contained the essence of wisdom. Senator Sherman says: "It is *better* than a deficit." Well, if taxing the people, in violation of the Consti-

denied that protected manufacturers for years past have sold their wares, and do sell them to-day, to foreigners at prices greatly under what we ourselves are forced to pay under the operation of the tariff for similar goods.

We have free trade between the States of the Union, not because we are making industrial sacrifices on account of political unity as insinuated, but because the system increases the wealth of the country by permitting a highly productive subdivision of labor and an untrammelled interchange of the products thereof.

tution, in interest of a small portion of the community, so onerously that the fund from it becomes so vast that it cannot be absorbed in legitimate expenses of affairs of state, so that in order to lessen it appropriations of extraordinary magnitude are made for what are speciously termed "harbor and river improvements"—seldom desirable,—extravagantly large sums appropriated for the erection of unnecessary palatial buildings throughout the country; scores of millions—worse than thrown away—expended on chronic efforts to construct a navy, substantial reasons for the existence of which it is impossible to advance, we having in foreign countries no interests worth mentioning, a mercantile marine so small (chargeable, solely, to the policy the Senator has been so instrumental in fastening on us and which he, to appear consistent, must necessarily laud) that in order to detect it among the fleets of the world a microscope must needs be brought into requisition,—to say nothing of the unblushing propositions from time to time made by leaders of party, and which presumably voice the bent of government, that these millions, contributed by every individual in the land, and to whom it belongs, be directed and devoted to the interest of a class. If these things be right, just, necessary, and indispensable, something may be said in behalf of the surplus, but all the casuistry in the world can never make it clear that that particular fund is better for the people at large than if it were not there—or better than a deficit even, be it ever so large.

As for the assertion that a surplus is "easier dealt with than a deficit," we need only to refer to the agitation of the public mind in respect to it for years past, and to the history of recent Congresses, to fully refute it.

Senator Sherman evidently confounds the government's resources for income with those of private individuals. Strange as it may appear, this is the popular error that is to be seen cropping up almost everywhere. In the latter case a surplus may be caused by one of two things: (1) an increased estate, through an economical administration, lessening expenditure; (2) an addition to the estate through increased and successful production and exchange; or (3) to a combination of these causes. The government's income is obtained in neither of those ways, but is extracted from the resources of all—though very inequitably as we find it in practice,—of whatever kind each happens to possess, the workman and workwoman in their labor, taking from each many things which otherwise would rest with them, restoring or replacing nothing.

Observation teaches us that the vast majority of mankind (pre-eminently so in republican America) *want to be employed*, or, in other words, seek the wages of the hireling. We do not use the term invidiously or disparagingly, but merely to enforce a meaning. Now the fair and only inference of this is that the masses have nothing to offer in exchange for subsistence but their labor; which is equivalent to the assertion that, taking the workers together, of whatsoever sex and condition, there will be found but one in twenty possessing the faculty for gathering forces and turning them to individual account. Were it not for this twentieth man—the administrative mind—the nineteen would have to content themselves with the most primitive subsistence. In short, what is called "progress" would be in abeyance. Now this twentieth man could not utilize the force which is resting in the

nineteen except he avail himself of a fund lodged somewhere, the profit, or what comes to the same thing, that which was left from some previous industrial operation after its makers had taken from it their subsistence,—in other words, capital, or what may be called the increment of labor,—and which went to others than those actually making it.[1]

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[1] The problem which the world has yet to solve, if it is solvable, is: How can labor obtain its just and rightful share of what it produces? There are, as we all know, two forces engaged in producing an article: namely, capital and labor, the latter drawing subsistence from them during the operation, or, what comes to the same thing, from the increment of the previous effort,—just as the primitive man had to hunt the boar and the bear before he could enjoy the flesh and transfer the coat,—the residue passing, it is asserted, to the former, viz., capital, which is not however strictly accurate. In this contention will be found the *raison d'être* of the discontent which finds expression in strikes, and from which is evolved socialism and communism. It must be obvious that the more the intelligence of the wage-workers is quickened by education the more exacting will they become in demanding what they conceive to be their rightful share of what their labor produces. Clearly, its allotment in the past has not been altogether just, for admitting that workingmen, whose sole capital is in their muscle, have no rights of ownership in the increment, nevertheless they have an undoubted right to its use, by paying for it, as an instrument for needful gain; their labor, in connection with it, certainly being as potential, and is entitled to—in addition to subsistence from the article produced—one half the net results, which, too frequently, under our erroneous teachings, is practically *nil.*

The thesis bristles with points, one or two of which, because relevant, we will notice. Suppose we take the first, suggesting protection in the popular meaning of the term. Twist and turn it as we may it will be utterly impossible to find in the system even so much as the suggestion of a remedy. Indeed, nothing could be more illusory. Protection, so-called, for the wage-worker is simply quartering on the product of his labor another man, who has no legitimate business whatever there, masterly wit comprising his sole stock in trade, leaving for capital, in many instances, after these subsistences are taken from the article produced, as hundreds of

It requires no great effort of the mind to reach the conclusion that if you lock up or destroy the increment, the force which puts labor in motion is wanting, the inevitable result being reversion to barbarism. Excessive taxation, therefore, operates in this wise: first, in the impairment of individual resources by taking needlessly and unnecessarily from each; secondly, that in the impairment of resources we deplete the produce evolved from labor, and to that extent destroy the forces which are creative of wealth; thirdly, that taking from the people in excess of governmental expenditure to the extent of $100,000,000 is not taxation, but spoliation, depriving them of that enormous recuperative force, none of this excess reverting to the people through the operation of industrial productive enterprises, that part of it which is appropriated creating things which of themselves are without sustain-

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thousands of its possessors in small quantities can testify, not even so much as labor already had secured from it.

Strikes next suggest themselves as affording a remedy, but where can relief be found in them? Idle men create nothing, not even a particle of their needful and necessary consumption, this being contributed to them by extracting, for the time being, from the labor of others, and of course depleting to that extent the common resources of all.

Suppose, as a result of the strike, the labor certificate, or, if you prefer, the money-wage, for they come to the same thing, is advanced, what of that? If, after six months of idleness and the scarcity engendered therefrom, wages of labor are advanced, say, 10 per cent., the prices of commodities, if not already advanced, can be pushed up in half an hour in a greater sum than that; whence, therefore, the gain? It is, certainly, handling more money; but that money will purchase no more of the conveniences and necessaries of life than did the smaller sum before the strike was inaugurated,—to say nothing of the immediate loss and deprivation to the individual striker and those dependent upon him, as well as to society at large, as a result of the destructive inactivity of those two great forces for wealth-giving.

ing power and must, perforce, depend upon further levying on the people for their maintenance.

The assertion that "the foreign market is a most uncertain, unstable, and variable market," and, inferentially, the less we have to do with it the better, is, to say the least, most extraordinary. Stable or unstable, we must go to it with our surpluses, which we cannot stop making if we would: first, because our population must subsist, and the only way in which that can be accomplished, yet known to man, is by combining the forces resting in the increment—or, what is precisely the same thing, the stored-up labor of previous industrial operations —with the potentialities in the people, these giving in every instance when left naturally to themselves a surplus, which must of necessity seek foreign exchange, and for two reasons, (*a*) it is the surplus and of course cannot be absorbed by ourselves, (*b*) if not exchanged it would lie a dead-weight on the community, without exchangeable value, having nothing within itself self-sustaining, and wanting in those forces necessary and essential to its further activity—obviously an unemployed population, and, therefore, recession in wealth; secondly, a surplus brings things we need and cannot get along without, namely, tea, coffee, sugar, spices, salt, sulphur, tin, chemicals, dyestuffs, jute, hemp, wool, silk, gums, all of which are absolutely necessary. The things also necessary, yet only commercially imperative—*what we do take*, however,— can be multiplied more than a hundred-fold. So much for the poverty and undesirableness of our foreign trade.[1]

[1] When we see a ship leaving our shores destined for foreign countries, laden with products of the soil and the forests and the mines, the whole venture is nothing more or less than a given quantity of concreted or solid-

That the market for this is "uncertain, unstable, and variable," is questionable. At all events its characterization as such is unfortunate from the protectionist view, inasmuch as it has been held that our policy gives us control of certain staples, and therefore ability to make and maintain prices for them. Has it not been dinned in our ears for almost the life of a generation that in those things we have enumerated and which Europe must have, we make the price? We now know we do nothing of the kind, though its admission, it must be confessed, is rather difficult to obtain, *the cheapest producing nations of similar things* making, as a matter of fact, prices for our own, which we must accept whether we like it or not. When Senator Sherman, therefore, advises that we keep aloof from foreign markets on account of their unstableness, he is merely affirming in another and more acceptable way his conviction that the "policy of protection to home

ified labor, it taking that form owing to an existing necessity on the part of nineteen twentieths of our adult population to toil for the day's subsistence. Now, it must be evident that if that cargo of merchandise representing, say, 50,000 days' labor is sent to India or China and there exchanged for sugar and rice, which, when landed in our warchouses, is equal in quantity to the domestic product representing 100,000 days' labor, clearly we should have been toiling 50,000 days to no purpose whatever. Or, putting it another way. If the 50,000 days' labor (or the idleness, for they come to pretty much the same thing), the fruits of which were unequal to the 50,000 days' consumption, had been devoted to useful productive occupations, is it not palpable that two cargoes would have been sent away instead of the one, and in the exchange would we not have double the quantity of commodities to divide than came to us from the other system?

What matters it to ourselves by whom or how these things were produced? If they were rained down from heaven, and Asiatics gathered them, clearly they could afford to exchange for less, we getting of course more for our goods, and in that way increasing the purchasing power of our labor.

industries" has operated in loosening our grip on foreign markets by depriving us of power to make prices for those things we have to sell, and, for that matter, largely so in our own.

Still, when we come to view commerce in its true light, namely, that of barter, the change in respect to value is not, after all, so great as we are apt to imagine; the labor cost of production—or what is really the same thing, the cost of subsistence of its makers—and not money, as may be seen, being the truer measure. For example, when we sold wheat (the staple governing the cost of every other commodity) for $1.70 the bushel, railroad iron was given us in exchange at $50 the ton. We now sell wheat for 80 cents and have rails offered us in exchange for less than $25 delivered on our wharves, our laws forbidding us, however, to use our customer's iron (an important factor in the cost of producing the wheat) at any thing like that low price, though they cannot make the said customer pay more for our wheat if they try till doomsday.[1] When we sold cotton for 20 cents per pound and

[1] The Hon. James G. Blaine is reported as having declared in a speech recently delivered in New York touchiug the industrial and fiscal conditions of our country, that capital needs no protection; that it is quite capable of taking care of itself, but workingmen must be constantly surrounded with it, or words to that effect,—that is to say, never to be assertive, reliant, or independent! Well may it be asked: against whom are the workingmen to be protected? Manifestly not against the wage-workers resident in foreign countries, for that would be a superfluous as well as an impossible task. It is at home—at his elbow—where the workingman will find his enemy: to wit, the capitalist or monopolist manufacturer, and his ally the politician, whom Mr. Blaine doubtless had in mind when exhorting his sympathetic audience to vigorous action.

No one knows better than that distinguished gentleman himself that the construction, interpretation, and operation of every fiscal law enacted in the

petroleum for 18 cents the gallon we paid 30 cents per pound for tea and 6 cents for sugar. We now buy for less than half these prices and sell for less than half (the equation of exchange), this money discrepancy running more or less through the world's products—hurting most those who, through ill-advised enactments, pretend to ignore the higher and inevitable law.

Considering these facts and connecting them with the record of actual exchanges made by us year by year during the past forty years, there cannot be found the slightest justification for the assertion that the foreign markets in which we have been making exchanges have proved "uncertain, unstable, variable,"—the prejudice being wholly at our end of the transactions where the mischief is wrought through our own delusive, destructive policy.

United States during the protracted *régime* of the Republican party, and which President Cleveland, in his full grasp of the subject, has pledged himself, if opportunity be given him, to ameliorate, are already and directly in the interest of capital, and *a priori* "protecting" it. Laws have never protected wage-workers against encroachment on the result of their efforts, and it may well be doubted if they ever will. Every one of our fiscal laws were framed ostensibly, to use the the current sophism, in the "interest of the workingmen," the "Nation's dear wards," whom they gouge relentlessly and to the very core. It is in the absence of laws that the toilers find genuine, practical protection. Sweep from the statutes the entire code and instanter we should have protection in the full and honest sense of the term, each and all of us being free to exchange the results of our efforts in the direction most conducive to our advantage,—all there is in that terrible hobgoblin "Free Trade," the very mention of which throws the community into convulsions,—while the millions now subsisting, in one way and another, directly from the labor of the toilers, and to whom they contribute little or nothing of a useful nature in exchange, would be forced to obtain, in the sweat of their faces, that which their wit and the law enables them to extract from others.

CHAPTER III.

THE SOURCES OF WEALTH IN THE COMMUNITY.

We have endeavored in previous chapters to follow Senator Sherman, whom we regard as the exponent of the principles of his party in his contention, first, that the policy which taxes directly and indirectly every thing touched, handled, worn, or eaten by sixty million of our people in the interest of a class which protectionists themselves cannot show exceeds two and three-quarter millions, but which a careful scrutiny and analysis will reduce to less than one fiftieth of that number, is imperative if they would subsist at a remove above what the advocates of the system are pleased to call the "degraded pauper population of the old world." Second, that the reduction of such excessive taxation, in a material degree, as recommended by President Cleveland in his message to Congress, must necessarily impair the wealth of the nation, inasmuch as its tendency would be to destroy the forces which created it; nevertheless, and with obvious inconsistency, we are assured (having first been told that the removal of the barrier standing in the way of free interchange of those things which we have in excess of consumption, and which other peoples want, with what they have in excess and we want, simply means to throw away the power that the policy of taxation has given us to command those things comprised in

our imports) that upon the remission of such taxation our country will be flooded with the cheap goods of Europe, the product of pauper labor, reducing our work-people to their abject condition.[1]

[1] When artisans are appealed to for their votes in support of the party which is pledged to the retention of the existing lop-sided tariff on the plea that it guarantees to them more constant employment with increased wages, they will do themselves a service by considering the incongruity of a system which, by taxing articles of needful consumption of foreign growth or manufacture, raises in a very material degree the cost of living, yet admitting, without restraint, from nearly the world over—counting them by millions—the very people who made the goods we pretended to exclude to compete with them in the labor market in their own sections. If one class in the community is permitted to avail itself of the advantages of free importation of labor, surely another class, if it can be shown it is prejudiced thereby, should be permitted the free importation of the products of similar labor.

What possible protection can a workingman, of whatever degree, extract from such a system? It cannot be that he fancies the foreign producers pay the tax which we levy at the custom-houses on the goods they made when imported into this country, for each one knows that when we pay for them over the counter, they, and similar goods made by our own manufacturers, have, in many instances, prices affixed to them just double the original cost.

Suppose, for example, the government and protected manufacturers, instead of taxing the article in the conglomerate before it entered the warehouse, stood at the doors of the retailing shops and, intercepting persons as they withdrew, demanded there and then on the article each had purchased a sum equal to that which the system permits them to affix to it before it reaches the retailing shops, and which the purchasers in every instance pay with the price when supplying their needful requirements, how many would submit?—probably not a dozen persons. In one day the compact would be foredoomed, going to pieces during the next amidst the derision and scorn of the populace.

Well, that is precisely the condition under which we, as a people, have for five-and-twenty years made our purchases—for so long a period that we have become habituated to it, taking it as a matter of course, the cunning arrangement, it is true, permitting the "deal" to go on without the necessity of placing it so obtrusively before our eyes as it is here outlined.

In these propositions, so long held to be truisms by an overwhelming majority of our population, will be found the reasons which are advanced in support of the policy which aims to increase rather than mitigate the severity of our taxation—popularly called "protecting home industries."

The sources of wealth, fundamentally, are but few, namely, the soil, the sea, the forests, and the mines. To convert the resources resting in these into active, exchangeable commodity, requires strong, persistent, capable workers. Now if these, or any considerable body of them, coming from a community which had borne the cost of raising them, planted themselves in the midst of varied, profuse, dormant wealth, it certainly follows that the product from their labor—wheat, corn, fish, coal, copper, iron ore, and timber—must be far in excess of what another community possessed who were at the expense of raising its workers, and who held resources less varied and comparatively meagre in quantity. If the two communities seek a market in which to exchange the produce of their labor—what they would be prompted to do by instinct, necessity, and self-interest—it is evident that the former will not only send their products to market largely in excess of the latter, but would have returned to them, in exchange for their goods, a greater quantity and more variety than would come to the other.

We detect at once in the conditions of this community the elements of industrial power which, if sagaciously used, must lead to commercial supremacy, for it is obvious that it possesses, what no other single community enjoys, not only the essential articles necessary for the subsistence of the people, and to spare, but all those

things which are the basis of all manufactures, namely, cotton, wool, wood, iron, gold, silver, copper, and stone.

This community in its primitive condition, all being workers, must, under such favorable conditions, have large surpluses, which naturally would seek exchange with older civilizations, to the manifest advantage of each; production and interchange going on until prices have materially lessened in the distant market, through what would be called over-supply, decreasing of course their purchasing power, which would be felt in the smaller returns or lessened importations from the same quantity of goods exported. Now the fact that this community, in the resources surrounding it, possesses the requisites of manufactures, pre-supposes that in its population the mechanical aptitude is there also (we instance our own country as remarkably exemplifying this), and what more natural, when by successive seasons of production and exchange capital had accumulated and labor not realizing what it hitherto had, that a part of it should be withdrawn from those occupations yielding so largely the fundamental resources, and should take the more profitable turn of converting them into a fabric and manufacture? Indeed, from the outset, from its first increment, in one way or another, and in a greater or lesser degree, a portion of the labor and surplus would, from the exigency of their position and the natural conditions surrounding them, have taken that direction, as the history of all peoples, and notably our own, abundantly illustrates.

In the earlier stages of manufacturing, under perfectly natural conditions, labor and capital would be prompted to those occupations which promise the largest return from the forces expended, the producing for instance, of

the coarser and heavier textile fabrics, agricultural and mining implements, constructing ships and the articles forming their equipment; thus, clearly, employing a portion of the available labor to greater advantage, because they are making, on the spot, from their own resources, finished articles suitable for their wants, instead of sending those resources to other communities to be again returned to them in the form of a manufacture, greatly enhanced in cost merely through transit charges and labor expended in their conversion; the surpluses of these, together with the crude staples, being exchanged with other sections as before for those things which nature and circumstances had given them for less expenditure of capital and labor than would involve the production of similar things if attempted among themselves;—in other words, an interchange of labor, each expending where results prove the most profitable.

It is only natural to assume—nay, we know it to a certainty—that this youthful community so prodigally favored by nature, would draw from the older civilizations the cream of its skilled and unskilled labor, which, combining with its own, would, with the constantly increasing variety of resources, either produced by its people or acquired by exchange, lead to finer and more diversified manufacturing, with the same profitable results as attended them in the first and second stages of their progress.

But notwithstanding the favor and fortune attending them there would be no exemption from the conditions attaching to mankind in all ages. At the outset all things would undoubtedly be held in pretty equal division, but as successive generations came upon the stage it would be found that the net gain of the community at large—its

capital—would be held within a small circle, another somewhat larger circle enclosing it, and the two living from the masses comprising the third,—the *raison d être* of party, policy (so called), and faction.

It would perhaps imply a happier condition of things if this community, through some agency unknown to other peoples, should avoid the intensity of this drag and its consequences on the body politic, but taking human nature as it is we are forced to the conclusion, from general observation and history, that such dreams picture only an Utopia.

This is the condition precisely of our own country to-day; territory rich in every thing that constitutes wealth, with popular government, universal education, equality under the law, in theory at least, yet with a persistently dissatisfied populace, loudly and menacingly asserting that it cannot subsist from the share allotted to it; vested with power in the franchise to correct inequalities producing this discontent, yet using it to still further add to their prejudice by riveting more firmly than ever the bonds of industrial slavery epitomized in the system which exacts tribute from all that a few may profit by it.[1]

[1] The simple truth is, and it is any thing but creditable to the intelligence of the educated American workingmen, that they must needs be reminded of it, the tariff is maintained for three separate, distinct objects, all converging to an identical interest: first, it gives to manufacturing and capital, for a stated period, through legislative favoritism, unfair and unnatural profit; secondly, it makes a political career desirable and valuable in a double sense, drawing round the people a vast multitude of quick-witted office-holders, the permanence of the genteel positions being dependent upon the holders' usefulness to a class by infusing the body-politic with false doctrines; thirdly, casting, through its operation, the daily maintenance of the national government solely upon the labor of the toilers instead of, as it should be, upon the increment or the net gain of the day's labor added to that stored up from previous labor.

Commercial freedom is more to be prized than political liberty. Without the former there can be but little else than mere pretence of the latter,—a more dangerous possession, perhaps, to society at large ultimately than its total absence; the former, however, carrying with it the essence and spirit of genuine, practical liberty—what the logic of events rather than the wisdom of the councils is hastening us to.

The system which gave to man the legal right to hold in fee a laboror because he happened to be black and therefore disinclined, as was alleged, to work except under the stimulus of the lash, was prompted by precisely the same motive which to-day leads us to strip white and black alike of half their productive force under the specious plea that in so doing they are in some way being protected against the satanic machinations of their pauper brethren in other sections.[1] Viewed commercially, it was a blunder of the gravest sort to purchase at a cost of several hundred dollars a laborer, feed, house, and clothe him, take the chances of his illness and lose him outright at death, merely for his grudging and unprofitable labor, when, in the absence of the system, the more

[1] Capitalist manufacturers, or those benefited through tariff exactions, declare that their advocacy of its retention is not so much in their own interest as in that of the "workingman"; but even if this were true, which it is not, by what right or under what necessity are workingmen as a class in this country under our form of government to be specially favored in legislation, particularly when such favor necessarily must be at the expense of another class? Of all the hollow and dishonest pretexts which are advanced in support of the system, this is without an equal. History does not record a single instance in which wealth-holders have deliberately taxed themselves in the interest of the wealth-producers. On the contrary the sum of the world's legislation, as well as its arbitrary acts, is quite the other way, our own part of it being no exception to the rule.

willing labor of the same man, or that of another still better, could have been had simply for his maintenance. When we think of this we wonder where was the wisdom, which is supposed to attend the action of the legislatures, that for a comparatively few dollars would have spared us more than a million adult lives, prevented the devastation of a large area of our common country, and the loss of four seasons of valuable crop, saddling the people with a direct debt (the indirect one, or loss, being almost, if not quite, beyond computation) of $3,000,000,000, a sum two thirds more than would have sufficed to have liberated every man, woman and child, held in bondage, to say nothing of the prejudice to society by its being turned topsy-turvy by the war.

If the record of the past is, as it is said to be, the safest guide to the future, surely we, as a people, should not be without the wisest councils in the guidance of human affairs. We divested ourselves of human slavery in a cruel, immoral, bungling, and expensive manner. Let us not repeat history by getting rid of commercial slavery through a similar method.[1] General W. T. Sherman,

[1] We know of course that it is not within the scope of practical politics to remove the tariff with a fell swoop, nevertheless if we could command sufficient wisdom and summon the necessary courage to do it, what could we lose? Its erasure from the statutes could not make us a people poorer by a particle, for nothing we possess could take flight. We should have, as before, our national resources, increment, money, population, together with the necessity of doing all around precisely what we had done before to the end that we might live. How is it possible, it may well be asked, by removing a burdensome tax on the labor of the people to have the opportunity for doing that impaired? The answer comes: Europeans, with their cheap pauper labor, would flood us with goods so low in price that we would have nothing to do except sit with folded arms. To this it may be answered: That is what we are all aiming for, endeavoring to ob-

than whom no one is better prepared to arrive at an intelligent conclusion, gave it as his deliberate opinion when taking leave of the army he so long and ably commanded, that our people will find greater difficulty in dealing with this question than with any foreign enemy that may be brought against us. Indeed it is whispered that the navy may stand us in good stead by-and-by, and that plutocracy is at the bottom of its present considerable augmentation. At all events there is grave suspicion attaching to it, for we are absolutely without those conditions which make ships of war, beyond those we now possess, a necessity; that portion of commerce passing to and from our shores —the only possible pretext for their existence—not needing them, the flag covering it guaranteeing its safe conduct by right of necessity and international law; so until we restore our own to the position it once held in the family of nations—which should be a condition precedent to

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tain a living without toil, which, according to your own view of the case, you can reach at once. But of course the change would not have such effect, for the simple reason that the goods we are so afraid would be given us cost those who make them just as much as the article we give in exchange costs ourselves—*i. e.*, subsistence, and if parted with without receiving their value in return the operation could not be repeated, because the loss, unquestionably, with the single gift would, like the failure of a season's crop, reduce to the verge of starvation the people who made them.

But assuming for the sake of the argument that the "pauper laborers in Europe" are so rich in this world's goods that they *will* persist in "flooding us with manufactures so low in price" that we become powerless to produce any thing that can be offered in return, surely that must be to our advantage, inasmuch as the labor which we are compelled to devote to the production of those things which they now take in exchange can be applied to the production of other things, giving to each and all luxuries in abundance instead of, what we are now forced to content ourselves with, bare and meagre necessaries.

their acquisition, for it is from that branch of commerce navies are called into being and have their maintenance justified,—even that, as it will be seen, stands in need of no further protection than what is now accorded it. Can it be possible that a plutocratic yachting fleet, in this democratic America of ours, rivalling in dimensions and ostentation any thing the world has hitherto dreamed of, needs protection? It looks very much like it, for is it not an open secret that organized effort is being made to give it in some way official recognition by tacking it to the national force?—which means commissioning its officers (paper-sailors, and tissue at that), investing them with magisterial and judicial function, by virtue of which they would be empowered to train the guns they have asked the government to provide them when and in what direction any exigency might, in their estimation, demand.[1]

An increase of the land forces in anticipation of internal trouble would, unquestionably, be proper and desirable, but that would awaken suspicion and lead to ugly and embarrassing questions from "proletariat" to representative. The plausible and captivating pretexts so readily advanced for "building a navy" are wholly wanting when we come to build—or *billet*—an army, so that, to quiet apprehension and allay suspicion, plutocracy

[1] The yachting fleet on the Atlantic seaboard is more highly esteemed and receives far more laudatory and intelligent protective attention from the press than does the mercantile navy of the United States. If the wealth-producers of the country—its back-bone—could be made to understand, what is an undeniable fact, that in building one merchant ship to carry away our surplus products, returning with cargoes in exchange, they would, taking them as a whole, be doing more to ameliorate the conditions which circumstances have imposed on them than all that has ever come, or can come, from that fleet, this sheer waste and wanton extravagance would soon be brought to an end.

organizes an irresponsible force to be seen wherever trouble is anticipated, just as, in olden times, when there was absence of stable, methodical government, the lords of the soil retained similar private organizations for the defence of their possessions, which happened to comprise about every thing.

In view of the oft-expressed opinion of protection's great champions that the less we have to do with other peoples the better, and, inferentially, that we should retire as quickly as possible behind our Chinese wall of protection, it certainly would be interesting to have from them some satisfactory explanation during the forthcoming campaign just why they gave their advocacy and sanction to increase of the navy and the necessary expenditure therefor.

Of course we shall at once be met with the assertion that the view is pessimistic; that the country *is prosperous* —making, in fact, wealth by "leaps and bounds" under the beneficent protective system. Where, it will asked, are the poor? the discontented? the dissatisfied? *We* do not see them. These things cannot be, for *do we not pay double the wages paid in Europe for similar work?*

In refutation of this we instance a condition of affairs of the gravest import, and one to which the public are apparently blind, namely, that in all the strikes during years past, whether by common laborers or skilled artisans, whether counted by hundreds, thousands, or tens of thousands, for every man going out there stood another unemployed—sometimes two or three—over-anxious to take his place.[1]

[1] The popular idea that "strikes" improve the condition of the working people even when successful, on the assumption that they increase the wage,

The natural query is: How did those unemployed men, with their dependent families live? They had nothing of their own, stored up from previous labor, upon which to subsist. If one thing can be deduced from another, then those families certainly must have been poor, and, by similar analogy of reasoning, must there not have been deprivation, discontent, dissatisfaction? That they, in some way, obtained maintenance is apparent; but they did not *make it*, nor by their labor create a fund equal to and as a set-off against it. It follows, therefore, that the cost of that maintenance came from a fund held, or made, by another, a tax on some

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is delusion. Every "strike" is a direct loss to society, injuring first, and the more seriously, those whose sole capital is the reserved force contained within themselves, *i. e.*, wage-earners; next, that portion of the community who, either by acquisition or inheritance, possess wealth and hire it out to the end that labor may be put in motion, without which it would be wanting in value, *i. e.*, capitalists; last, and the least, the employers of labor, inasmuch as they have the power (and they have never been known not to avail themselves of it) to recoup the losses resulting from the idle plant by the simple process of advancing the price of their product, the burden resting, eventually, like taxation, on that portion of the community which produces and consumes, a distinction with a material difference. Strikes, so called, have had about as much influence in ameliorating the condition of the working classes as had the man in the moon. In England the condition of the "common people" during the past fifty years has unquestionably greatly improved, and it is equally true that the improvement was contemporaneous with strikes, but that was mere incident; nor can proof be adduced to the contrary, simply because it does not exist. Nor does any one question the palpable fact that a workingman in England to-day receives more in return for his labor than did his father and grandfather in their time, but he does not receive a larger share of what he produces than did they,—the true and only accurate gauge of the reward of labor. Indeed, notwithstanding the persistent demands of "strikers" under the order and authority of Trades Unions and the supposed yielding of capital to their menaces, the share allotted the workingman of what he assists in

other person's resources—in other words, living from the labor or result of those who were working, depleting their resources to that extent and of course materially lessening both product and compensation by the fact of two persons subsisting from what, primarily, was intended for one. Idleness, therefore, while destructive to society at large, is particularly so to those who exchange their labor for maintenance, for the idle man and the lost day must be charged up against the busy man and the improved day, the net result being the exact measure of the wages of labor.

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producing is much less than it was when strikes were unknown. In the United States it is materially less—an actual recession, in fact, in the reward of labor, and the true explanation of the rapidity which fortunes of vast magnitude are rolled up in a few years by manufacturers, as we have obtrusive evidence of on every hand.

The improved condition of the working classes in England is due to the facility with which they reach the produce of other lands through the agency of steamships, railroads, and canals; and its conversion by themselves, aided by machinery, into articles of barter, the labor of the grandson, as it is evident giving far better results than did the grandfather's labor, which was without such ameliorating influences.

We have had in the United States in our own time not a few strikes; but whether successful or otherwise in the immediate result, the cost eventually rested with those who made them. If strikes improve the condition of workmen by giving them a larger share of what they produce, how comes it that, notwithstanding our vast resources and the universal application of machinery to production, the condition of the laboring man in this country, both in respect to position and compensation, is greatly inferior to what it was in the generations preceding us? Indeed, so marked is the change that it is difficult to find a family, however lowly may be its circumstances, which voluntarily sends a son to an apprenticeship; even that once honorable calling carrying with it a badge of servitude, degradation. In our father's time we were made to understand that honest manual labor carried with it dignity and respect. Is it so now?

CHAPTER IV.

THE PRINCIPLES GOVERNING DEVELOPMENT.

The principles of existence the world over are precisely the same, circumstances alone varying the conditions. If in some countries the standard of living is on a lower plane than in others, it is simply owing to the absence of certain ameliorating influences obtaining in the latter. For example, old England, limited in territory which for a thousand years annually yielded a crop, would, under natural conditions, subsist her population on a much lower scale than would youthful America with her boundless virgin arable land enriched by thousands of years of natural fertilization. As a result of centuries of production there would have grown up a leisurable class, in whom would have vested the land. Circumstances also would have produced still another class representing the medium between the proprietors and the actual tillers of the soil; hence there would have issued from it three incomes—namely, the proprietor's, the farmer's, and the farm-laborer's. In America the first-named would be eliminated, the second becoming the proprietor, at nominal purchase, to whom, and to the third, his assistant, would inure the total product. In other words, the annual yield would be divided between two, instead of, as in the former instance, between three. Again, the older

civilization would, from circumstances inseparably attending evolvement from barbarism, have found it necessary to maintain an armed force, and there would have grown from it conditions which, ultimately, would have led to that force becoming a regular standing army, which "families," or class, or both, would have had an interest in maintaining on a substantial war footing,—the most destructive engine known to civilization, and a direct charge, both to men and maintenance, on the workers. The younger, on the contrary, in absence of those conditions (starting in life, be it remembered, with all the advantages accruing from the older civilization, which has cost so much, the newer availing itself of it without the slightest charge, and without, as any one may see in our daily experience, even a little gratitude), would not only be spared such a burdensome charge on their resources, but would have these worse than idle men, by their productive labor, making not only their own subsistence, but from that labor adding to the increment—which would be, in a material degree, if they were wise, their own as well. It follows, therefore, to a demonstration that the working classes in the United States have natural and acquired advantages enabling them not only to live on a much higher plane from less labor than their English brethren, but from the more favorable conditions surrounding them, to create a fund for their maintenance in considerable comfort in their old age.

While there can be no difference of opinion in respect to the conditions here stated, few can be brought to admit, outside the ultra-protectionist party—blind, always, to every (fancied) interest save their own,—that the conclusions have been realized. That they have not, can be

established beyond controversy.[1] Taking population for population we had, forty years ago, $625 per head against England's $725. In the short space of a life of a generation, positions meanwhile being shifted, we adopting, in lieu of the enlightened and progressive policy, the illiberal and restrictive, apparently advanced to, nominally, $1,000, but actually recede to a sum under $700; while England, divesting herself of her industrial fetters, and adopting, as near as practicable, an out-and-out free-trade policy, advances from $725 to $1,210! Of course the working classes in neither country have this as their

[1] When workingmen, anxious to protect their interests—a very natural and proper thing to do,—hesitate to give their political support to the individuals (what a misfortune that it cannot be said *party!*) who are earnestly and unselfishly desirous of enfranchising their labor, because apprehensive of the results, we would remind them that from the lips of the very men now advocating the retention of the protective scheme and under which their effort is shorn of half its rightful reward, only seven days' labor, or the product thereof—for it comes precisely to the same thing—is exchanged for foreign labor or its product!—a moiety of these even, be it remembered, purchasing the necessary teas and coffees and the eleven hundred thousand tons of sugar which our needful consumption constantly demands, and which we have no way of obtaining except through this interchange of labor with foreigners. In brief, as stated by protectionists themselves, a gift to the American people of foreign-made product which each one of us must needs now pay seven days' labor for from our every one hundred days of toil, will deprive us of power to work for the remaining ninety-three days at our several vocations for our needful domestic supplies! High-tariff men necessarily estimate at the very lowest American workingmen, but it is questionable if five-and-twenty years of make-believe protection has reduced them to that condition.

Stripped of the verbiage which has permitted this matter to be presented to us in glittering generalities instead of in a bald and definite statement, do we not find that every thing that has been advanced in support of the continuance of the tariff resolves itself into the foregoing propositions? Indeed, in them will be found the protectionist's creed, as well as the (pretended) foundation of the whole system.

own, nor are they likely to have it so long as human nature is moulded as it is, *but its use merely while they are working*. "In the sweat of thy face shalt thou eat bread, till thou return to the ground," is the divine injunction, as applicable to-day as when delivered nearly two thousand years ago, and certainly as necessary, it being held, as pointed out in a previous chapter, by a very inconsiderable portion of the community. Now, if we can imagine the fund—the total increment, or capital—divided *pro rata* and converted into tender, with a people just beyond ready to supply our every want in exchange for it how long would it last?

We could, if necessary, arrive at pretty accurate conclusions, but we prefer, for obvious reasons, to let each family arrange the time and method of its own existence. Surprising as we shall find the result, we become fairly dazed when we realize that this one, two, or, at the most, three years, as the case may be, of purchase of subsistence has cost not less than two and one half centuries of incessant toil in a land metaphorically speaking, "flowing with milk and honey!" The situation of course creates alarm. Life is precious, even if counted by hours. It becomes a question of the survival of the fittest. Is it ourselves? One would think so if multiplicity of advantages determined it; but we will see. We take our tender to the purveyor. It is put in the scale along with the Englishman's. It looks apparently as well as his, and appears as heavy, but we confess to some considerable disappointment. We do not bring the quantity of commodity he does. We ask the reason, and are told something about our tender wanting in "purchasing power," which we do not quite understand; yet we *do know* our neighbors have

had rent, food, clothing, etc., for two years for what we exhausted in one.

Naturally we are alarmed, but there is no escape. We demanded the fund, claiming we made it, and, therefore, were its rightful owners, neither one nor the other proposition being true. Indeed, so far is it from even the semblance of truth, that we say to the American people without the slightest fear of contradiction, that nine tenths of you have not so much as the value of a mason's brick to your credit in that fund, it having been made by eight or ten preceding generations of just as capable, far more persistent, and certainly as frugal, workers; you getting, while creating that something which you fancy is a monument of your sole labor, your subsistence, which you must know was but a draft on other equally capable workers' time in other sections. However, we got it, but not without hypothecating existence. The bond at maturity cannot be dishonored. One, two, three, years finishes us up; plutocracy going first (righteous retribution, for, notwithstanding all their wealth, which should have been spent partly in acquiring knowledge and in cultivating the amenities of life, they were found to be just as obtuse in these matters as their selfishness was over-weening), the middle classes next, the "proletariat" last. Our neighbors, wiser than ourselves, made better terms, their time running four, five, six years—having a lease of life long after we have passed into oblivion. To this state of things we most earnestly invite the attention of anti-poverty and anti-laboring organizations (the latter particularly, as being rather too numerous for the good of the body-politic), affectionately reminding them of the conditions nature unalterably affixed to our existence, from which there is no possible escape.

If, in practice, we find the conditions bearing more heavily on one than on another, and that other feels it wrong and not in the natural order, it would seem—if there be a remedy—that it must be found in an intelligent, discriminating suffrage. But, returning from the position we assumed in order to follow to its logical conclusion the palpably absurd deduction of our would-be teachers, is it not a fact (we do not state it as such positively, nevertheless we believe it cannot be materially impeached) that out of every hundred men dying in the great metropolis of the Western world during the past thirty years, two only, after liquidation of their affairs, left any estate whatever? If, as it is also said, that in the thirty preceding years five in every hundred left something that would confirm, almost unerringly, the substantial correctness of, not the propositions, for they cannot be gainsaid, but the conclusions—namely, that we are rapidly receding in wealth, and have but a hand-to-mouth existence.

We instance England merely because those who have a direct interest in keeping the "taxing master's" hands always in our pockets (legalized burglary, for they intrude even to our innermost chamber, not a thing whatever we have there escaping their rapacity) refer us to her degraded, pauperized population—the direct result of her adoption, it is persistently asserted, of those principles which give to her people the blessings flowing from genuine, practical, commercial freedom; but similar inferences can be drawn from almost every nation in Europe—indeed, if not from every one.

If in the practice of those principles we, through our own laws and teachings, deliberately aid her at an enormous cost to ourselves, surely we have ourselves only to blame. If we proffer her an advantage, can she be

blamed for making the most of it? One would think, judging from the execrations heaped upon that country, that it in some way made our tariff laws, and while so doing kept the interest of its own people solely in view.

England, as a matter of fact, could not subsist her population—we will not say with the degree of comfort she now does, but *not at all*—under any other system; and it will be a sorry day for her when we, by divesting ourselves of our industrial manacles, raise ourselves to her commercial level. To any one familiar with that country, and who has studied her conditions, it is not possible that there can be two intelligent opinions about it. So small is her territory and so vast her population that she cannot afford to keep the bulk of her people engaged in producing crude material. It would not be enough for all; there would be no surplus worth mentioning with which to make exchanges, nor could there be an increment. Population would diminish, both by death and deportation, lessening it somewhat; still there would be a reduction in living to within only a few removes from barbarism.

When we compare the wonderful potentialities of this country in sustaining man with Great Britain's meagreness, the thought naturally comes, having regard to the compensating influences of nature, is it not just as it was intended to be—population and country matching country and population? It is her policy, dictated by imperious necessity, that she should make, in so far as is practicable, as many bankers, merchants, traders, shipowners, seamen, and artisans as possible, the latter particularly, because the product evolved from their labor has greater exchangeable value than if they were engaged in lower or less productive occupations.

The more we look into this the more reasonable will it appear, till at last we must confess, regardless of the position in life we happen to occupy, that there has been an immensity of delusion somewhere. For example: If the men now artisans, or any considerable body of them, had been bred to the farm, the total product from their day's labor would have averaged, say, one bushel of wheat per head, or other product in like proportion; but by making them skilled laborers, they are enabled, with a few pence' worth of raw material—in almost every instance gotten from other sections at a less expenditure of labor than would have involved its production among themselves,—to fashion with their hands articles which, when sent to, say, Russia, Egypt, India, Australia, Chili, and the United States, are exchanged for two bushels of wheat, or in like proportion of other product, plus the banker's, merchant's, broker's, shipowner's, and underwriter's profit from it. In other words, their increment, together with the force resting in the workers, is directed by the logic of vital necessity into the most profitably productive channels possible. Further investigation leads also to the conclusion that it is England's interest to keep the industrial-commercial system of the world just as it is, for the following reasons: First, the population of the country, having regard to its high scale of living (this of course is contrary to the generally accepted American opinion, nevertheless it is true in every essential and in every particular), is out of all proportion to her area of territory, there being four hundred and twenty souls to every square mile against twenty only with us; hence she is compelled to avail herself of the cheap productive land of other countries for the two elements of her manufactures, as

will be more fully explained hereafter. Second, the labor of all peoples, even if but one remove from barbarism, gives a surplus of something, which seeks exchange for a more refined article to be found, as a rule, cheapest, and in the greatest perfection, in the older civilizations, which in turn need, for reasons already stated, the crude commodity. Third, that the several great nations of the earth, all more or less adapted naturally for manufacturing, cannot, by reason of their adoption of the principles of protection, so called, deal profitably with their surpluses, of whatsoever kind they happen to be, which of course they must—just like ourselves—make, consequently England, by pitting one against another, gets what she wants of those surpluses at her own price, at a far less cost than she could herself make them, and in many instances for *less than their cost to the producing sections;* in other words, availing herself of the lands, people, and increment of these United States to the end that she may better subsist her population by extending the sphere of her manufacturing operations. Fourth, that getting, as she does, not only the necessary food products for her population, but the crude articles of a fabric and manufacture as well, at the lowest possible cost (cheaper, in many instances, than similar things are dispensed in the countries producing them), it follows that, combining her labor with them, she obtains a fabric and manufacture so cheaply that she is enabled to return them forthwith to the people from whom she received them in a crude form, leaving her a handsome profit from the operation. It will be seen from this what a sharp, two-edged sword a tariff for "protection" necessarily is, it gashing deeply whichever way it is swung: first, by doubling up prices,

thereby impairing the increment through an enforced idleness of the real wealth-producers—justly esteemed by all settled governments as the most serious danger which can menace a state; and, secondly, by imperiously demanding that we confine ourselves to the production of crude commodity for exchange for our necessary importations, fearfully weakening the surplus resources, reducing at the same time a proud, sensitive, capable people to the lowly position of producing food products and other like raw staples of a manufacture for the peoples of Europe, when we should, instead, be supplying the best and cheapest manufactures of every description to a thousand million souls!—England obtaining all she wants of it at her own price, which enables her, after combining her labor with it, to return it to the original makers, her own people getting a living and to spare from the operation, while our own, equally capable, stand by ready and willing and anxious to be employed, though scarcely realizing

> "The modest wants of every day
> The toil of every day supplies."

There would be something respectable in this if we could ourselves hold, govern, and control these surpluses through our own capital—aggregating, we are told by those specially interested in maintaining our taxing system, $60,000,000,000, which surely is sufficient to carry, for a brief period, our moiety of "our insignificant foreign commerce"—and through the medium of carriers of our own, both by land and sea, till disposed of to the consumers in their respective sections; bringing back, in exchange for them, without let or hindrance, what, in our estimation, would best serve the people; but we know

from practice that even this poor privilege is denied us through the operation of inexorable statute, designed for, and claimed to be made by, a free people!—Europeans literally standing at the producer's door, just as if he, or his section, or his country, were without the necessary capital and enterprise to move to the natural market what his efforts had given him; taking it from him, or the holder, not only at the price it pleases the buyer to give, but actually dictating to the land-carrier—the great trunk lines of the country—just what shall be paid for its transit to the seaboard!

From the earliest settlement of our country to a period when the present generation may be said to have come upon the stage, sea-carrying—that is to say building and operating ships—had always been esteemed the most valuable of industries, and rightly so, because the labor entering into the construction of such an important instrument of commerce—gathering the multiplicity of articles required and fashioning them into a structure breathing, as it were, life and intelligence—was of the most productive quality, *every day's labor creating a fund in excess of the day's consumption.* (It would be well if we stopped right here and asked ourselves: How many of the genteel and diversified occupations by which four fifths of our people are, through erroneous teachings, in some way or other endeavoring to obtain a living do that?[1] The

[1] "Multiplying and diversifying occupations" are not necessarily beneficial or gainful, nor do they, as it is claimed, always render labor more remunerative. On the contrary, in many instances they seriously impair the value of labor, and at the best can only be said to assist in "destroying the surplus,"—one of the tenets of the protectionist doctrine and consistent with the declaration of the late Horace Greeley, the high-priest of protection, that the destruction of a city was not a loss in the sense we are apt to

inquiry will elicit surprise, and pursuing the subject further, we reach without difficulty the main cause why we have, during the short space of the life of a generation, receded in actual wealth from $625 to, well, perhaps to a sum not exceeding $500 per head of the population.) But the productive labor did not cease with the vehicles' completion; with them our people bore to the natural consumer not only the vast surplus products

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regard such a calamity, inasmuch as its rebuilding calls labor into activity, and in that way is a blessing to workingmen,—*i. e.*, exhausting our energies merely for exhaustion's sake. In truth, this dictum is so interwoven in the restrictionist's creed, that if eliminated they would find themselves in the position of the kindly-natured old lady who was wont to declare that if doubt arose in her mind with respect to the award of eternal punishment the substance would be taken from her religion.

The resources of our country lie in the soil, in the mines, and in the forests. Before we can get a piece of bread or an inch of clothing from them the labor of man must first be applied; labor of the strongest and most productive quality, that which is known to us as menial and manual, and what we are, in this generation, taught—thanks to protection and educational feticism—to avoid, because low and degrading; and this, too, when it is understood, if not tacitly admitted, that nine tenths of the adult population obtain subsistence for the day from that day's labor; or, in other words, sheer absence of increment or capital upon which to draw for sustenance. From this wealth, or labor—for that is just what it is,—every thing which comes to society is based, therefore is it not apparent that if there is an absence of proportion between those who are employed in producing the fundamental resources and those engaged in the diversified occupations, the whole thing, if persisted in, must topple over as would a ship carrying sail beyond what her ballasting warranted?

Many of our over-praised diversified occupations which we are forced to take up with because we cannot, from one cause or another, get into the outer world with the results of more useful and productive labor, are nothing less than a direct charge on those resources, they creating little or nothing of substantial usefulness, and certainly not returning to the productive wealth-giver a quantity equal to one twentieth of what had been extracted from his honest effort.

of our country, bringing back to our people valuable and necessary merchandise received in exchange for the outward cargoes, the acquisition of capital—the natural sequence of productive labor and profitable exchange of its results—leading us also to engage in, and successfully competing for, a fair share of the world's ocean-borne commerce; our ships predominating in every sea and in every port, and so highly esteemed were they as combining the best principles of the economical carrier in days when wood and not iron was the material, and wind not steam the motor, that we built largely for every section of the maritime world, and would be doing so to-day had we never adopted the principles of protection, so-called, as we now have them embodied in the tariff.

The system which disallows a producer to convey to a consumer of his own selection what his enterprise has given him must be radically and intrinsically bad. *It is commercial impotency in its most impairing sense.* Under a proper, judicious, and equalizing system, there is precisely the same profit in carrying to market what we have produced as there is in the production of the thing itself, which, if prevented by statute or erroneous teaching, is simply to rob labor and capital of their due reward.

No one nation can reasonably hope to carry in ships of its own all the surplus product of a country. To do that implies that return cargoes—the product of other sections and what the outward cargoes were exchanged for—were also in its keeping as carriers, an engrossment amounting to dominancy; but no system can be said to be healthy, commercial or advancing, which denies to a people the privilege of profitably conducting an ocean-carrying trade equivalent in volume and wealth to the total exports of

their own country; it being the duty, as it certainly should be the privilege, of every people to maintain ownership of their commodity till it reaches as near as possible the consumers in the section it is destined for, it being apparent that the profits and accumulations from the several manipulations must revert to the people producing it. Apart from the direct loss to capital by being forced to part too quickly with our surpluses, the inevitable result of our suicidal policy, we have lost year by year since 1880—and almost in an equal degree for the twelve preceding years—in ocean-carrying alone of our products and passengers, capital to the extent of $68,000,000, as the following statement (though much under what its value has been estimated to be by those dealing with the subject, nevertheless believed to be substantially accurate), compiled for the year 1887—an exceptionally low freighting year,—when the exports were valued at $716,183,211; imports, $692,319,768: total, $1,408,502,979, will show.

ANNUAL VALUE OF FREIGHTAGE ON EXPORTS FROM AND IMPORTS INTO THE UNITED STATES.

Cotton paid freightage	(approximately)	$19,500,000
Breadstuffs of every description	"	16,250,000
Mineral oil and products thereof	"	5,750,000
Tobacco	"	750,000
Provisions including live stock	"	2,750,000
All other articles not comprised in above .	"	18,200,000
Gross value of freight on total exports		$63,200,000
Americans received for their part of the carrying		8,848,000
Foreigners received for their part of it . . .		$54,352,000
Estimated value of passenger money . . .	$14,500,000	
Share to Americans for their work	875,000	
Foreigners received for their part of it . . .		13,625,000
Total to foreigners for freight and passenger work		$67,977,000

American owners received in freight money . .	$8,848,000	
American owners received in passenger money	875,000	
Total to Americans for their export freightage and passenger money	———	$9,723,000
Total value of the outward freight and passage money		$77,700,000
Share to Americans	$9,723,000	
Share to foreigners	67,977,000	
Foreigners had in *excess* of Americans for doing our own carrying	———	$58,254,000
Freightage on imports about equal the freightage on exports, but the homeward passenger trade has exceeded the outward by five million dollars: say,		
Total inward freight and passengers	$82,700,000	
Total outward freight and passengers . . .	77,700,000	
Total value of freight and passenger money to and from the United States yearly, since 1880	———	$160,400,000
Americans received for carrying our exports and imports and passenger money	$19,446,000	
Foreigners received for their share of the same work	$140,954,000	
Foreigners receive in *excess* of Americans, annually, for freightage on our exports and imports and passengers, exclusive of mail money	———	$121,508,000

During the seven years since 1880 we have paid to foreigners for carrying our surplus products and passengers $475,837,000, and adding thereto the amount paid during the ten preceding years it will reach, at the very lowest also n[illegible] rate, $1,000,000,000. In the years between 1870 and to domin[illegible] managed to retain a small share of the foreign commercial [illegible] connected with that of our own country, but privilege of pro[illegible] date we have dropped out of it almost equivalent in vol[illegible] it is questionable, having regard to the

conditions under which that industry was pursued, whether there was left from it any increment whatever as a partial offset against the $1,000,000,000 we paid to aliens for carrying to market what we ourselves had produced.

This matter—so grave in its consequences that it may well be doubted if there exists another nation in the civilized world that could have stood the strain for a fourth of the time we have endured it—is viewed differently by different people. Protectionists—that is to say, high-tariff men, or those interested either directly or indirectly in doubling up prices by taxing an article of foreign make in a sum equalling its first cost—declare that we have lost nothing simply because, as alleged, the business was not worth pursuing; that the occupation was, and still continues to be, one unsuited to a people so cultured and accustomed to so high a plane of living as the American, but fitted for, and congenial enough to, the less favored and "pauperized populations of the Old World,"—as if it were a disgrace to carry to market that thing which the honest effort of a man had given him![1]—the severest condemnation of the whole system possible, for it is a confession (1) that, under its practical workings the cost of production is so great that there is not left in the article

[1] If our young men and young women decline to take up with menial and manual labor and in that way create an estate for themselves, the common people of the other sections will be brought to the United States to do it for us, the result of which, as any one may see, will be the extraordinary spectacle (indeed, is it not upon us already?) of a distinctive exotic working class, a middle class fairly endowed with wit and education, but wanting in that knowledge and usefulness which characterizes a similar class in other countries by virtue of its controlling the wealth of the country; *that power*, with us, under our system and teachings, passing to the keeping of an exceedingly select circle, incapable of understanding that wealth, like rank, has its obligations.

produced sufficient margin to get it in a respectable manner to a consumer; (2) that if it were attempted we should be derided, defeated, and eventually bankrupted by a class of men producing things similar to our own under conditions ten times more onerous than the natural ones attending the production of our own; (3) that we are wanting, commercially speaking, in potency, aggressiveness, and ability—the natural and only possible result of the system. Advocates of commercial freedom on the contrary, however, maintain that not only are $1,000,000,000 a direct and irreparable loss, but the indirect one immeasurably greater. The former, if they would sustain their position must show—what we fear they never can show, even with their wealth of figures manipulated by their numerous and clever minds—that our wealth-producing population and capital were, during those years, productively and profitably employed. We hold they were not; that the large sums wrongfully and unnecessarily taken from the people and lodged in the treasury, where the money is either retained in idleness or expended, in part, in schemes more destructive to the body-politic than idleness itself, together with a *moiety* of the idle or unproductively employed increment or capital, exceeded a sum more than sufficient to build, equip, and operate a fleet of carriers equal in capacity to our total annual surplus product; and that we had men in constant idleness, and have them to-day, doing nothing whatever to replace the consumption of the day, more than sufficient to create the entire plant, from the ore beds to freighting activity.[1] To contend that this is not a direct

[1] Mr. T. V. Powderly, General Master Workman of the Knights of Labor, recently testified before the Select Committee of the House of Repre-

and irreparable loss is quite in keeping with the assertion that our surpluses—the excess of domestic product over consumption—are of no moment, but to admit the contrary would of course simply be to give away protection's whole case.

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sentatives inquiring into the working of the immigration laws, that from his own observation and knowledge there were always over a million of men in the United States without work.

One million men in constant idleness! Do we stop for a moment to consider what this means? If we have, as it is stated, 18,000,000 persons male and female engaged in gainful pursuits, or, in other words, dependent upon their own exertion for livelihood, it must be apparent that those unemployed men decrease the number to 17,000,000, and assuming that these find constant employment, which by no means is the case, it is palpable that every seventeen men and women in our community, after providing by hard toil for their necessary requirements as well as for that of those immediately dependent upon them, have to carry, day by day, from their slender resources, one of those able-bodied men making up that grand army of idlers, not an individual of it contributing any thing to replace, or as a set-off to, the consumption of the day! A million men in idleness! Let us see what that means *for one day only*. Suppose they worked for one day, each making a fund having the value of fifty cents, which is low enough, we should have as a result, half a million dollars' worth of product, or sufficient to load seven ships each of 2,000 tons burthen with wheat, or other staples in like proportion, to be exchanged with considerable profit to ourselves with peoples in other sections needing them.

If this be the result of one day, think for a moment of the magnificent results of 300 days! Yet the wrong continues year by year, if not decade by decade, because the protest, from those who understand the question, against such wanton destructiveness, lacks the ring of undoubted earnestness.

One million of capable, would-be wealth-producers and one hundred million dollars of the people's money in the national treasury, inordinately wrung from them through insidious taxation, constantly in idleness! Was ever such criminal folly heard of since the world began? Veritably it does seem that the gods first make mad those whom they intend to destroy.

CHAPTER V.

ECONOMIC TRUTH ESSENTIAL TO PROGRESS.

Of the two great champions of our taxing system, viz., Senator John Sherman and Mr. Chauncey M. Depew, both of whom in elaborate speeches endeavored to controvert the masterly argument advanced by President Cleveland in support of his message to Congress recommending that the duties on articles of necessary importation and consumption, and which come from the pockets of the rich and poor alike, be considerably lowered, we confess to a decided preference for the former. Mr. Sherman tells us with an honesty and a consistency worthy of respect that the policy he advocates necessarily closes our commercial door against the alien's goods, the surpluses, if we *must* make them, to be fed to him here, if he can be induced to come. Mr. Depew, on the contrary, dealing with the same system, asserts that its aim and effect are precisely the opposite. "It has," he tells us, "given us $60,000,000,000 of capital, a developed capacity for creating product with over ten billions a year; the mission of the country, under it, being not only to monopolize the home market, as far as possible, but to cross the seas, enter all ports, and compete with the most advanced nations of the earth." [1]

[1] If we have, as Mr. Depew states, $60,000,000,000 of capital, how comes it that only $19,800,000,000, or, say, 33 per cent. of it (probably the actual

Here we have two irreconcilable conclusions from the self-same proposition. Both cannot be right. Mr. Depew's programme is loftier and more ambitious, but he happens to have hold of the wrong means to the right end. Apart from the error he seems to have fallen into in common with his humbler working brethren, we would like to have him explain how it happened that long before we dreamed of building our tariff wall for protection, in the sense in which it is understood at the present day, Americans "crossed the seas, entered all ports, and competed with the most advanced nations of the earth?" Furthermore, how does it happen that with every layer on that wall our commerce has decreased in like proportion until to-day, after submitting to it for nearly the lifetime of a generation, not a single person in these United States, or a letter even, can be carried to Europe, in a steamer under the American flag?[1] And, again, if we have capital to the

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value of the total real and personal property), was reached in the year 1885 for purposes of taxation? Either we did not have, nor have we to-day, any thing approaching it, or else capital is shirking its duty—imposing on labor through necessitous consumption those burdens which rightfully attach to all—in proportion to what each happens to possess.

[1] There are at the present time three American steam vessels—all that is left of our once respectable transatlantic steam marine—engaged in trade between the United States and the whole of Europe and Africa!—6,000 tons of steam tonnage, equal to one modern transatlantic "liner," for sixty millions of people with sixty thousand million dollars of capital after five and twenty years of protection! Is it not palpable that something is wrong? that the system is *not protective*; that our labor, taking it as a whole, is *not productive*, and the capital, as stated, mythical? It *must* be so, otherwise such a condition of affairs would be impossible. These steamers, though fine enough in their day, have, owing to the march of improvement, been relegated to common freighting; their employment even in that way not being continuous. Indeed, in days when they compared favorably with those of foreign build, they never received the patronage of that class of our fellow-

extent of $60,000,000,000, with the developed capacity for creating annually a product worth over ten billions of dollars, how comes it that we are forced to part with this product on the spot as soon as it is made, without the power to make and maintain a price for its carriage even on our own railroads; the Mark Lane corn-factor getting wheat carried all the way from Chicago to the London Docks *for sixty cents a ton less than a similar merchant in New York can have it brought from the same quarter for consumption among ourselves!* [1]

It may be asked: Is that all? Oh, no; we can give a hundred just such instances of the destructiveness of the "protective" scheme. Suppose we take this: A corporation in England wants 10,000 bales of cotton to work into textiles. Purchases are made, say, in Louisiana, the goods conveyed to Liverpool, thence to Manchester. Counting the cost of this transfer—not the cost of the cotton, be it remembered—from the time it left the factor's

countrymen who became wealthy, either by advocating or espousing, for their special behoof, the system of protection as embodied in the tariff. Sooner, by far, would they forego the pleasures of the trip than deny themselves the *eclat* and fancied security which, in their own estimation, attaches to the more "select" foreign-built, foreign-owned, and foreign-managed competitor.

[1] Though it may be quite true that we have a "developed capacity" for creating product worth over ten billions of dollars annually, it by no means follows that that resolves itself into capital, as insinuated by Mr. Depew, since equivalent consumption incessantly goes on, one being almost a complete off-set against the other, as will be seen when we consider the insignificance of our total realized wealth compared with the labor of eight generations of toilers who made it—a striking example of the value of labor, not for its own sake, as inculcated by the protectionist doctrine, but for its *productiveness*; it being manifest that an unrestricted interchange the world over, seeing that about all our labor is directed to the obtaining of consumable articles, must greatly add to them.

hands till shedded in Manchester, we find it not under $60,000. Meanwhile the corporation had taken account of the food stock, ascertaining that the supply, from the country's own production, was sufficient for one, only, in three of the population. Forthwith purchases are made in this country, the commodity being conveyed to Manchester, as was the cotton, its transfer alone costing $30,000. Total cost in shifting position $90,000, it all going to those heartless, aggressive Englishmen, in the shape of commissions and brokerages, freight and (largely) insurances, ourselves being counted out as completely as if the product had been made in Timbuctoo. The corporation now have the two elements of their contemplated manufacture and, by combining with them the third, viz., labor —for there cannot, as it will be seen, be more in it than these—produce their fabric, returning it to us with handsome profit to themselves, notwithstanding its two trips (save the force resting in the artisans) across the Atlantic, the $10,000 in the transfer charges of the finished product, plus the duty levied on it by ourselves on its entry,—designedly so high as to prohibit, as was thought, the reimportation of what we ourselves had so largely made; yet, strange as it may appear, the higher we builded the tariff wall the easier the Englishman flung his manufactures over it, forcing us to take them whether we liked it or not.

Naturally, we ask: What enables them to do this?—not only to do with our own material what we ourselves cannot, but commercially override us everywhere? The commodity, essentially our own make, travelled, as will be seen, 10,000 miles at a cost of $100,000, yet sold in our own market in competition with similar goods which

never left our domain or incurred a penny of those transit charges; the cost of transport for Mississippi and Alabama cotton to a shipping port under the combination arrangement being about the same as to the factory in the north. Want of population does not explain it, for we have 25,000,000 more than Great Britain, one-third of the total (the workers), in all estimated about 18,000,000—being more or less in chronic idleness from sheer inability to obtain employment. "Pauper labor" helps us not, for we know that not a pauper hand touched it; nor will superabundance of food and other raw material (aha! that key nearly fitted), for circumstances force her to the uttermost ends of the earth for these; neither will capital, for are we not told by our make-believe Solons that we have sixty thousand million dollars of it and a developed capacity for making, annually, a product worth over ten billions of dollars![1]

[1] Obviously statements of this character while having, perhaps, some technical basis, are wanting in substantial foundation. Sixty thousand million dollars' worth of capital is a stupendous quantity. Do we stop for a moment to consider what it implies? If we did the fallaciousness of the statement would quickly become apparent. In a country so richly endowed by nature and favored by circumstances there would be, as a result from it, an extremely wealthy leisurable class, exceeding in numbers, in proportion to population, any thing recorded in the world's history. The province of this class would be to exhaust, the two beneath it—comprising those engaged in the professions, in trade and commerce, in cultivating what is known as the "easy and gentle" occupations, together with those employed in the menial and manual industries—contributing, by keeping the capital in motion, to its extravagances, while, at the same time, obtaining from its use what they themselves consume and can save from their operations.

The fact that we have no such a class is the best proof which can be adduced that we have nothing like sixty thousand million dollars' worth of capital. Indeed, if we had it, having regard to the annual number of the

Not having as yet the exact key we press the query: What is there in England's economy which enables her to make this manufacture from material she had to scour the earth and seas to obtain, while we, possessing naturally all the elements on the spot, were commercially prohibited from doing the self-same thing? With this key and an old file the secret is quickly reached.

England, meagrely supplied by nature with material resources, avails herself of those of other lands—the cruder in form the better for her,—commerce, as will be seen, being her *life-blood*, instead of, as with ourselves, inherent

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productive days' labor of our total population and the value or quantity of the product from them, that portion of the population depending either in part or on the whole from the returns from capital would be reduced to the most pitiable condition imaginable, their fund wanting, as it must be seen, both in purchasing and sustaining power—what, indeed, so largely characterizes that which we actually do possess.

Sixty thousand million dollars' worth of *real* capital is pregnant with meaning. It suggests, in connection with sixty million of people under the conditions obtaining in the United States, a paramount necessity for selling in the markets of the world the results of the combination of those two great forces, in the absence of which they could not be kept in motion, consequently there could be neither immediate nor prospective gain from them. Restrict the flow and you at once affect the source. Dam the stream and you will have at first as a result a wasteful overflow, and, eventually, a stagnant pool.

Great Britain does not profess to have within fifteen thousand million dollars of the capital which we are fond of crediting ourselves with, but consider for a moment what she does with hers and its astonishing sustaining power! Apart from its supporting the most exhausting land and naval forces in the world, together with a vast leisurable class, it is also the fulcrum by which four hundred and twenty human beings to the square mile are subsisted. From all foreign parts merchants of that country receive and fill orders for goods, which they are only too pleased to furnish on credits extending beyond the period of their actual consumption, and, in many instances, when shipping to their customers the product of their mines

resources. As every country makes a surplus of something, that something, under an inevitable law, gravitates to a lower level, the conditions existing *there* governing its reception. Having now on the spot the components of a manufacture, at a less cost in many instances than the people making them were subjected to, what is there to prevent her returning them to us in the concrete, successfully marketing them beside similar domestic manufactures raised in price in many instances 100 per cent. beyond the normal cost through the operation of the protective system as embodied in the tariff?

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and workshops, add the freight charges to the invoices, and pay it over to the shipowner at the inception of the voyage. Indeed, so vast is Great Britain's capital (all coming through well-directed labor enterprises) that the bankers of that country are in position to make loans to governments, states, municipalities and corporations; and shipbuilders, notwithstanding our puerile and unworthy flings at them, are in position to fill orders for costly steamships for foreign account, and wait one, two, and three years for payment—having, as is palpable, something "beforehand" to keep labor in motion without resorting to the conversion of the article produced yesterday for the means to that end.

Can this be said to be the condition of things in these United States with our sixty thousand million dollars of capital and almost illimitable natural resources outstretched to those who will come and take them, and which contain within themselves equally and greater sustaining power? Not at all. There is something more than our exaggerated prices and the inability of foreigners to exchange the products of their labor with us because we refuse to exchange with them (results, of course, *nil*), which leads them to send their orders to England. We give no credit simply because we are without a redundancy of genuine capital, protection having not only shorn us of that but extracted from the American that reliance and aggressiveness which in other generations distinguished him.

Our labor, taking it as a whole, is not productive. What is given to us to-day as the result of the energies of capital and labor, there would seem to be a necessity for parting with to-morrow for something equal to it, there being nothing in reserve, as England possesses, to sustain capital and labor beyond a few days after the completion of the article they were engaged in producing.

The price of every commodity comes not by chance, but is just what the lowest producer can make it for, plus the cost of getting it to the consumer, supply and demand *regulating*, not *making*, it as is popularly supposed. Keeping this in mind, the motive for, and the method of, the taxing scheme, and *a priori* why we do not and never can under its results obtain the "home market," becomes as clear as noon-day.[1]

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[1] The "home market" is a mere tariff expression. It is, like its twin sister "protection," absolutely without substance, shadowy and deceptive as the *Will o' the wisp*. Every article we import from foreign countries is paid for in the labor of our people, its transfer, in tangible substances, to other sections, giving larger results than would be the case if the same amount of labor were expended in an effort to make, in our own district, the commodity we found it to our advantage to seek elsewhere; *i. e.*, selling our energies as dearly as possible, instead of, as we needs must under a system which aims to engross the home market, as cheaply as one will have them.

Statistics show—and both Mr. Sherman and Mr. Depew admit their accuracy by quoting them—that already we have 93 per cent. of the home market, the plain meaning of which is that only seven days' labor in our every one hundred days of toil are exchanged with people living beyond our domain, we getting, mark, even for those seven days', many articles which our civilization has made a first necessity to us, produced by fellow-laborers elsewhere, and which nature has interdicted ourselves from producing,—obviously as complete a *quid pro quo* as it is possible to have, not so much as one hour of the seven days' labor in our every one hundred being lost to us in the transaction.

But, in order to further illustrate. Suppose we engrossed the "home market," what then? Clearly, there would be no exports because there would be an absence of imports, in which case our total labor would be expended among ourselves—non-intercourse in its most practical meaning. In such a condition of things what would become of our custom-houses and the great army of men now on their rosters? And where would the government turn for the $220,000,000, annually extracted from the people's pockets through those institutions and which are expended in maintaining that and kindred armies? With the "home market" as protec-

A concern, we will say in Pennsylvania, engaged in making iron, every component being found on the spot in the richest abundance, would, if it understood its business, have the finished product at less cost than would a similar concern, say in South Wales, which had to send to Spain and Algeria for a large portion of its ore, and to India, Australia, and America for the bulk of the food and material for clothing supplied to the artisans. Not only would the Welsh product be debarred entry into the United States by a law severer than the statutory, but we would, with our own, make a price for it in countries needing iron, not excepting South Wales itself. That is the natural, the healthy condition, from which flow wealth, contentment, and happiness. Greed and selfishness however—the ruling passions—prevail, hence the enforced idleness, poverty, discontent, and dissatisfaction of that portion of the population claiming special attention.

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tionists profess to want it, those $220,000,000 could not be collected and the army would, perforce, disband,—not because it found itself without an occupation, for it cannot be said it ever had one, but because the *raison d' être* of its existence had unwittingly been taken from it.

Palpably, politics would no longer be profitable under such a condition of things, but they would become honorable, in which case the people at large would be the material gainers, it leading to a system under which there would be some proportion between producer and consumer, what the existing one conspicuously lacks.

Again, what would become of "protected manufacturers" if we obtain the "home market"? How would they make prices for their products? The data which they now rely upon—namely, the foreign prices plus charges and duty, would no longer avail. Knowing no other, and being incapable, from long dependence, in originating a method, would they not find themselves pretty much in the same position as would be a ship at sea without rudder, chart, or compass?—helpless and drifting to destruction, the "dear wards of the nation," in whose interest all this was done, getting, at last, but in a manner never contemplated by the originators of the scheme, what had so long been promised them.

The public mind is impressionable. Legislatures, as we know, from one cause or another, are apt to be accomodating. What more natural than an arrangement, apparently sanctioned by the people, whereby the price of—well, we will say, iron—is doubled to the consumer, who, by artful processes, is made to believe it a blessing? We are aware of the smile this provokes, nevertheless is it not true? Plausible as the "protective" (we fear the term will never, in this world at least, be expurgated of its manifold sins of commission) system may appear in theory, we will see what it is in actual practice. We want, for instance, 100,000 tons of rails to make a road pronounced by society to be a necessity. When proposals are invited from all countries engaged in the manufacture, that from South Wales is found to be the lowest. To that price we add banker's and broker's commission, freight and insurance to the port we select for delivery, getting the cost in that way of the rails landed here. But before we can move them the government steps in and exacts tribute (not because it it is wanted for needful revenue, but merely to advance the interest of a special class) to the extent of their cost to us at the ship's side in the shipping port. Our order being large, we propose splitting it, inviting offers from our own manufacturers, with this result: We find they have taken the English price, added thereto all the charges attending transport to our wharf, plus duty, quoting a price a fraction under their total for rails placed in equally good position as the foreign article on the wharf (which in nine cases in ten would be the side track at the rolling mill) as an inducement for us to take theirs; disregarding, as will be seen, those natural conditions regulating the cost of production—nature's equalizing and

compensating influences in all things—they making it just what the statute, which they themselves virtually made, said it should be!

We have in this illustration the *raison d'être* of the tariff for protection. The term certainly, considering the aim and object of its promoters, was happily chosen. Had the *true name* been affixed instead of the misnomer, who questions that the monster would not have been strangled at its birth?

When we pay to the government a hundred million dollars duty on invoices of imported goods the local manufacturers of similar domestic goods take a like sum from us by simply raising the price of their product. Change positions, giving the workers—who really make the commodity on which these fabulous sums are based, and in whose interest it is claimed the figures have been "raised"—the benefit, and the whole system would dissolve like the morning dew before the rising sun.

It is evident, both from deduction and daily actual observation, that the burden does not stop at the end of the list of dutiable goods, but permeates the entire economy. If, for example, we embark in, say, wheat culture with its incidental occupations, it is clear that our product will be materially enhanced in cost by reason of ourselves and our help being forced to pay the duty-paid price for lumber, nails, paints, oils, and glass, farming implements of every description whatsoever, table and bed furnishing, culinary and dairy utensils, woollens of every description, dried fruits, rice, sugar, and salt,—in brief, about every thing we use; therefore does it not follow that the product of the farm—extending even to eggs and chickens—stand proportionally high? But we can-

not (and just here we have presented, broadly, the fallacy of the doctrine of protection), notwithstanding all our efforts, raise the selling price of our product by the method which fixed its cost, the surplus, always large, and which we find we must, from one cause or another, make, gravitating to other markets where it is introduced to the cheaper wheats of South Russia and India, familiarity putting them all on a level, neither protection nor democracy saving it. In other words, the cheapest wheat in the world making a price for our own, which we must take regardless of what its production cost us; the price of this wheat abroad, plus the cost of getting it there, being exactly the price we receive for the moiety retained in the granaries for our home wants; again disregarding, as in the case of the moiety produced for foreign consumption, the conditions under which our wheat was produced and which should have regulated its price,—an apt illustration of the destructiveness of the tariff, its first blow, as might have been expected, striking the shipbuilding industry, and, by a natural law forcing our withdrawal from—without fully appreciating the cause—what, under wise laws, would have proved a lucrative carrying trade (than which nothing we have done, or can do in substitution, will take their places as real wealth-givers), as will be more fully explained in another chapter.

Is it at all surprising that, under a system like this, three quarters to four fifths of the farms and about all the buildings in the country, which, under natural conditions, would be practically clear, are actually groaning under their heavy incumbrances? Or that men poor in pocket ten to twenty years ago, to-day count their possessions in figures ranging from five to fifty million

dollars? Or that the system which makes such things practicable enlists the aid of the most useful talent to be found to champion it?

The picture is not overdrawn. It is precisely that which is presented to us in our every day-walks of life—foreign prices, plus charges, duty, and incidental expenses, for every thing we consume being the chief characteristics —exactly like the *levelling-up* system, where perhaps the idea originated, which lifts the vessel from the depressed level of the basin to the overflowing canal above; draining from the redundant masses to the treasury, where it is not needed, monies counted by the hundreds of millions, while, at the same time, extracting in the interest of a class like sums, the workingman and workingwoman and working-child, with nothing to offer beyond their daily labor for their daily subsistence, being taxed through their necessitous consumption just as heavily as the rich man to whom all the increment of their labor reverted.

CHAPTER VI.

THE UNWRITTEN LAW OF COMMERCE THE TRUE GUIDE.

It is a sad commentary on the system which we have so deliberately and with such seeming unanimity adopted, a system which, through excessive taxation and the consequences resulting therefrom, neutralizes by one half the forces that are contained in our almost illimitable resources, and the labor of a population aggregating sixty million souls, together with the realized increment held to-day by us through inheritance from eight generations of persistent toilers without cost and without embarrassment, before, as the advocates of the system assert, even a living can be vouchsafed us from our toil! It is a sad commentary upon this system that, of all the nations of the earth which make commodities for exchange, ours, the most bountifully supplied by nature and the most favored by circumstances, affords the least margin for carriage charges—fabrics and manufactures, or those articles of commerce made valuable by the expenditure of much labor, none at all; while the great staples, given to us in the richest abundance for little more than the asking, warrant the minimum. Indeed, were it not for Europeans who, through their more enlightened system, are enabled to come to us with their ships and assist in giving to our crude surpluses the cycle of exchange, what we ourselves

cannot give, even these would be as effectually embargoed as if a sand-bar (the equivalent of which we are most laboriously and continuously making) to the water's surface lay at the entrance of every harbor, channel, and creek on our entire coast-line.

Already we have arrived at the stage at which the American carrier cannot subsist on the freightage his country's exports offer, the logic of events thrusting him aside; how futile, then, to dwell on the chronic "shipping question"—whether we shall buy abroad or build at home—when we cannot offer the driblet of the marine left to us any thing to carry; petroleum, given to us by nature in the crude state at the mere nominal cost of tapping the ground, bearing under two cents per imperial gallon all the way to India, while to Western Europe it is as low as one shilling and sixpence for forty gallons, including the cumbersome package containing it; grain, at the same time—passed to us with liberal hand for the minimum of labor from a soil enfranchised as is no other—scarcely affording carriage at all, in many instances but one penny per bushel from the seaboard to Europe, this absence, almost, of carrying charges being its saving clause beside the poor Indian ryots.

It requires no deep study of this subject to convince one of the utter impossibility of restoring, nay, of keeping from total annihilation, in the course of a half-dozen years, the wreck of our foreign-going mercantile marine by any of the methods hitherto suggested, the disease being too deep-seated to be cured by "free-registry," "subsidies," or *gift* ships even. We have the most striking exemplification of this in what was known as the "American Line" between Philadelphia and Liverpool,

composed of the best steamers procurable, and backed by a great railroad with vast ramifications which supplied it with its choicest paying goods, yet unable, during the ten or twelve years of its existence, to make its receipts balance its expenditure, the cost of the ships having nothing whatever to do with it, for had they been given to the company the result would have been precisely the same.

Two self-evident propositions result from this state of things: first, that our products—those even given us in nature's bountifulness in return for the least labor—cost so much that an insufficient margin is left to get them respectably to the natural consumer; and, secondly, from that and other causes—every one obvious and palpable—we no longer make prices for our products, but, perforce, must needs take what is tendered. With all our quickness of perception, we do not appear to realize with what rapidity the old order of things is passing from us, and new conditions are daily presenting themselves, which we will not heed until we are commercially overwhelmed. Steam and electricity are bringing the nations of the earth, as it were, in the palm of the hand; to which agencies, and to the instrumentality of the Suez Canal, is due the fact that the wheat of India is nearer the consumers in Europe than was our Western product under the obsolete system of sail carrying; thus demonstrating that the sailing ship will never again be utilized for marketing cereals produced east of the Rocky Mountains; while the wheat grown on the Pacific slope, which must for some years to come seek that mode of conveyance, is practically, four times more distant than the East Indian's, a disadvantage not to be brushed aside with impunity;

steam and the canal doing this for those producers,—agencies blessing Europe with a new producer while giving to ourselves another formidable competitor.

To these fundamental changes which have brought the peoples of the earth within speaking distance of each other, and made their commodities in the most distant sections exchangeable (excepting the Pacific States' product) in the short space of seven weeks, may be ascribed, in a large measure, that gradual loosening of our grip on foreign markets which we at one time held so determinedly, and our inability to make and maintain prices for our surpluses (for the production of which there is the same necessity as for the moiety required for home consumption); the population of other sections, not unlike our own, being compelled to toil if they would live, that necessitous toil, as with us, creating a surplus which, till profitably exchanged—precisely like our own—cannot be regarded as active, sustaining wealth, nor possessing within itself the least power for further or continued production.

While giving due weight and prominence to the revulsion of trade—brought about by the rapidity with which the world is conducting its exchanges, which, of itself, should awaken us to a proper appreciation of our economic position in the family of nations—we have also to consider that this drawing together of the peoples of the earth by annihilating space, has been instrumental in stimulating the production of commodities common to ourselves; remembering, when discussing the ever recurring question of over-production, that, in addition to the increase annually taking place, there is at command to be dealt with, at least, 12½ per centum of the world's pro-

duct bartered among nations, which, under the old system of sail-carrying, was out of the market in consequence of the greater length of time required for conveying it.[1]

Cleaving the Isthmus of Suez revolutionized the commercial system of half the world, placing the other half under its contribution, the new steam route to the East directly affecting this country in three diverse ways: first, by enabling the peoples in the Eastern world to present in the markets of Europe, where our surpluses had always found profitable exchange, a variety of product and in such increased quantities as seriously to affect the value of our own; secondly, by breaking down the large

[1] There is not in practice, nor can there ever be, taking society as a whole, such a thing as over-production. There is no place for it in the world's economy. If it were possible, by combining the forces of nature, to produce such a state of things, mankind would be in the happiest condition imaginable, the every individual want readily and easily supplied, with sufficient leisure for their enjoyment. It is true that there is, in certain industries, at stated intervals, over-production, like, for example, in the manufacture of woollen and cotton goods, and in the production of wheat, coal, and sugar; but there is also, at the same instant, a corresponding deficiency in other essential articles, the very people producing the overplus being driven to the greatest distress simply because labor and capital had not provided—it is immaterial where—a fund of something equal to it, and for which it could have been exchanged, and, in that way, meet the necessary demands of consumption.

If, through accident or design, the energies of capital and labor are directed to certain lines of industry while neglectful of others, over-production, deficiency, and distress will be as regular and as unerring as is the movement of the sphere in the ecliptic.

The industrial economy of the world is precisely like the mechanism of a watch, many parts, all adapted to their several functions, contributing to the total. If undue attention is paid to one part at the expense of another part—which infallibly will be the case when natural law and aptitude are interfered with—the neglected part will fail in its function, disarranging the whole.

monetary attachment to commodity, new commercial conditions, in themselves the full force of law, making them low, while we, with the statutory—always weaker than the other—backed by almost universal sentiment, persistently declared, and do till this day, that they shall be high; thirdly, by giving a crushing blow to ship-building and its collateral industries, though it must not be overlooked that our own people had, through their representatives in Congress, some years previous, given it a stab which, ultimately, in any event, would have proved fatal.

Similar agencies are at work on this continent, splitting it in twain, which, when the rift is complete, will give the Pacific States wheat—by shifting its carriage from sail to steam—quicker and cheaper movement, the usefulness of the sail, or wind-ship, passing away with it. To what end, it may well be asked, is all this? Merely that Europeans may have cheaper and more abundant material to work into manufactures for ourselves and others, they meanwhile getting from them their own living and a little to spare.

Reference to these changing conditions must establish the fact that we, under them, have about all that we can do to preserve our position in the economy of nations without the additional drag necessarily imposed through the operation of the tariff; it unquestionably explaining, if we will but take the trouble to look into it, why we pay for our importations in crude commodity instead of combining our own over-abundant labor with it, getting, in that way, something more valuable and of course more in exchange than now comes to us; for it is evident that if we work our food and other staples into a manufacture

by men now idle or inferiorly employed, we not only get more of the comforts and conveniences of life while so doing by making draft on the labor of others, but vastly more in the foreign exchange than when we part with them in the crude state, in which case, by a law as inflexible as that governing the tides, they would, in part, come back to us in the more valuable form of a manufacture, shifting the usefulness and profit of labor from this to other countries, an injustice to ourselves inasmuch as our own workers stand in need of all that we are giving away.

We know of course the answer. It has been given thousands of times. "We can't do it; wages are too high; pauper labor and starvation wages in Europe do it; we cannot bring our mechanics down to that." This is mere delusion, yet we hope on, well knowing that time, as is the case with all human affairs, will work the cure.[1]

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[1] "Cheap labor," paradoxical as it may appear, is, the world over, the dearest labor which one can take up with. A pauper cannot produce, neither can an habitually ill-fed man originate or execute any thing worthy of serious attention. Perhaps the following will aptly illustrate this.

Before protection (and there is something in addition to that to charge it to) had weakened the commercial energies of the American people, and when it was not considered unpatriotic, or even dishonorable, to be in one way or another identified with "foreign commerce," the United States possessed—as it, perhaps, will be remembered by some of the elder members of the community—what is known in the *parlance* of the day as a "mercantile marine." Not infrequently that marine, or a link of it, found profitable employment, as carriers, in conducting the exchanges between India and China and the countries adjacent thereto, and, naturally, in course of time, would part with the American crews: that is, dispense with the costly American sailor and take up with the cheap Asiatic. Did the ship-owner gain by the change? Hardly. His ship, manned by ten American seamen at a cost of $150 per month for wages, would require from twenty to twenty-five Asiatic seamen at a cost of $125; and although

The labor we so cheerfully perform from Monday till Saturday is not that we may be rewarded by a certain number of dollars and cents, but that we may procure a given quantity of food, rent, clothing, service, and entertainment for ourselves and families. What matters it if we get them whether they be measured by an eagle or a double eagle? It is those things in generous abundance that we want, the money being merely an instrument—an inferior one, in fact—to that end: a certificate, so to speak, that society recognizes that the holder thereof did something during the week for it, entitling him or her to certain consideration, much or little according to the fruitfulness of the labor.

It is the simple matters in the human economy which play the mischief, rather than the profoundly abstruse. Were this otherwise, we should be utterly at a loss to account for many things we see in our every-day life. For instance, whence the almost universal belief that money is wealth beyond any other commodity exhausting similar labor in production? Not only do we find this idea indoctrinated into persons in the humbler walks of life, but we can, if necessary, adduce proofs that the leading minds of the country, both within the halls of legislation and those without controlling them, persistently hold to the same view; it not being so many years since the West, backed largely by the East, and together almost predominating in the national elections, sincerely held

the provision bills would be found materially less than was the case under the American crew, nevertheless the latter would be quicker in the movement of the ship, make better passages, take care of the sails and ropes in stormy weather when the others would lose them, and when handling the cargoes do twice and thrice the work that could be gotten from the Asiatic. Which labor, to employer and society, was the cheapest?

that the remedy for all the troubles afflicting our industrial economy would be found in converting rags and ink into money, and scattering it with a free hand broadcast! When the real wealth-producers come to understand these matters—for they cannot forever be kept deluded—to-wit, that merchandise measures money, not money merchandise; that so long as they lend their political influence to those interested in maintaining the system miscalled protection by taxing their labor to the extent of one half of its value, just so long will that deceptive measure be applied to it; that is to say, an elastic tender and dearer and, of course, fewer goods (protection's gilded sheet-anchor); while, on the contrary, joining their forces with those endeavoring to ameliorate their condition by changing that system of taxation which levies directly upon *the articles of their necessary consumption instead of the increment from capital and labor*—which, certainly, is the equitable and proper system,—they would, with every step in that direction, be changing the reward of labor from the flexible to the rigid measure. In other words, adding to the purchasing power of that something we call money by lessening the price of merchandise of every description, the tender measuring the commodity, rather than commodity, as now, the tender. When these things, we repeat, are discussed by the workingmen, the scales will drop from their eyes, and "protection," with its dear and poor and scanty goods, will become a thing of the past.

Were we to lock ourselves within our domain, trading with no outsiders whatsoever—the only possible way to have protection, by statute, in the full and proper sense of the term, for any thing short of that must lead to un-

even justice; indeed, the very reason of the existence of the system will be found in that,—it would be of little consequence what measure we attach to the fruits of labor, the pair of boots or the barrel of flour representing just so many hours of labor, whether we stretch over them a ten or twenty dollar bank-note; those engaged in making those things the boot-maker and the miller must have, being paid in proportion with similar tender; but the moment the door is loosened, and we come in contact with peoples enjoying industrial liberty, and with whom we wish to deal, our position becomes one of marked disadvantage, and for three separate reasons: (1) The article we offer for sale, the result of locked up exclusiveness, and what we, in our conceit, here fancied to be superior to that of others, turns out to be a common thing indeed —just what might have been expected from shunning the abrasion which contact with the world's economy engenders. (2) Not only do we find the article wanting in excellence in the estimation of those with whom we are endeavoring to deal, but we also find active competitors beside us from other sections, offering similar—if indeed not better goods, yet, at all events, more suitable, their requirements having had the special consideration of our competitors—for much less money, forcing us to part with our product for just what is tendered, regardless of cost, else the alternative of returning it to our own section, where it is not wanted, burdened with the charges attending its pilgrimage;—eliciting the fact, upon inquiry, while endeavoring to account for the disparity in cost, that the components of our competitor's manufacture not only reached him in variety, permitting a general and beneficial admixture—accounting, largely, for

the excellence of the article,—but at considerable less labor-cost, from the fact that they were bought *within*, instead of, as were our own, *without* the world's competition;—"all the people in the community, or very largely so," as we were further informed, "being employed, in one way and another, mostly in *productive occupations*, many hands," as our informant stated it, "making light work." (3) The instrument with which we measured the value of our commodity—answering very well in our own section under the system of exclusiveness—was not recognized in the places we resorted to, it being, as we were assured, not only intrinsically faulty, but susceptible of elasticity by mere movement of the hand—"one of the devices," we were told, as we thought rather irreverently, "of the political juggler";—it further inconveniencing us in many ways, which, when summed up, were ascertained to make, in themselves, such a barrier that, even were the other conditions equal, would debar us from successful competition with our more astute competitors.

Reflecting on these matters from behind our wall of exclusiveness, which our leisure abundantly permitted, we began to realize—what we already had a faint conception of—that it is commodity after all that is wealth rather than, as we had been taught, money, the latter being found, under the crucial test, to be nothing more than a mere instrument—perhaps not even so much as a secondary one—in obtaining the former; further reflection also revealing, what strikes us as an undeniable fact, that those who have the highest and most inelastic measure must necessarily have the minimum attached to the consumable and permanent articles of wealth; consequently, in the

end, must become the richest by possessing them, for the very reason that in production and exchange—the only two things giving wealth—they can never be put to disadvantage, as the following illustration, which we take from one of many that are available, exemplifies:

Some years since, before Black Sea wheat was marketed through the medium of the steam-carrier, and India, in the absence of a railway system and the Suez Canal, was not thought of as a producer of wheat for European markets, the price of iron ships in England, to build, was £24, sterling, per ton; our own, of wood, which we asserted were superior to those of iron, notwithstanding the opinion of the world to the contrary (the natural sequence of persistent exclusion), costing, when equally well equipped, about the same. Gradually the English price receded, through the operation of a regular, recognized, commercial law, we, meanwhile, through statute, bolstering our own, persistently declaring they must be higher, till £15 per ton was reached, ship-building at this time, with us, having declined one half, with a corresponding reduction of our mercantile marine, English building and carrying increasing in inverse ratio. On went the changes, cheapening the Englishman's cost of living and bringing ships to £13 per ton, we still holding to wood and higher prices, but without more than a coasting demand on our yards, the commercial economy esteeming neither our prices nor material. Naturally a decline from £24 to £13 in a very few years for such an important instrument of commerce as a ship was suggestive of disquietude, many imagining that further reduction would check, if not stop, the wheels of commerce; but what signifies the price, provided that every element entering

into the ship comes as freely as before? Apparently none whatever, for we have seen the price drop, drop, drop, till £7 15*s.* is reached for the finest ship that can be put afloat, fully equipped to sail round the world, the wheels of commerce, so far from coming to a standstill, going faster than ever, while those employed in making the ship live in better houses, enjoy more food, wear as good, if indeed not better, clothing, with more amusement and recreation than when the builder was getting three times the money price for his structure!—we, meanwhile, wrapped in exclusiveness and deceived by a misnomer, persistently following the heresies engendered therefrom, built our last ship, practically retiring from the sea, the low-priced people, though not necessarily "cheap," or "poor," or "pauper," wholly supplanting us in the world's commercial economy,—thrusting us aside into idleness, indigence, and discontent!

CHAPTER VII.

PROTECTION POWERLESS TO PROTECT THE CARRIER.

In all commercial revulsions the first to give way in prices whether by sea or land is the carrier, his lines being laid and his vehicles in operation, they cannot be stopped without imperilling the enterprise, hence his submission, the maker or holder of commodity maintaining his prices by aid of the carrier's enforced obedience. When the latter cannot, having regard for his solvency, give way further, the former must, perforce, take his turn in the scale of reduction, inasmuch as it is as essential to him that the carrier shall keep his vehicles in motion as it is that he himself manipulates what he has orders for, or exchanges what he possesses; in brief, an identity of interest. Last, though not the least, to give way is the value attaching—too often absurdly unreasonable—to realized wealth (the increment, so to speak, which has been handed down by those who toiled and have gone before, the visible and tangible result of all previous labor), namely, reduction in price and rent of land whether improved or otherwise, in buildings and structures, and interest on loans and credits; in short, that material matter which all have assisted in making, but which the few happen to possess—perhaps wisely so, if only judiciously used. Up to a certain point the maker or manipulator of commodity has been antagonistic rather than otherwise to the carrier,

favoring, for fancied interest or commercial exigency, what we may call the primary estate—in other words, the wealth of the nation, or society's capital,—by attaching thereto an unwarrantable value; but a time comes when the law of commerce, imperiously asserting itself, ranges him beside the former, at which moment the three interests—capital, commodity, transportation—become (what indeed they always were, but greed and selfishness obscured the real facts) identical, uniting in common interest in placing each on a surer, more equitable, and more prosperous basis, by substituting a real value for the fictitious one hitherto attaching to it.

Unquestionably we have, in so far as transportation is concerned, long since realized the first of these conditions; sea-carrying, whether with product of our own or that of other countries, being so utterly unremunerative under our teaching and practice of political and commercial economy, that so far from laying by a fund with which to renew the vehicles, it cannot, under the most careful and experienced management, operate in a respectable manner, with the ordinary commercial security, the few we have left, the plain meaning of which is that through unequal and most unjust laws structures of great intrinsic worth are to-day practically valueless. Can it therefore be wondered at that men having their fortunes embarked in shipping turn their faces in the direction of the National Congress—which did this special harm to them, and from whence for a quarter of a century so many industries have received substantial encouragement, so largely at their cost,—begging that they too may have, under the guise of subsidy, a little government pap? They knowing, of course, that a measure of that character cannot resurrect the com-

mercial marine, their conviction being, if they would but avow it, that if a mill is operated in the interest of its proprietors by taxing the community indiscriminately, why should not the same or a similar tax be levied in interest of the ship-proprietors? The answer is that while in principle there is no difference; while there exists no equitable or moral ground justifying aid to the one while withholding it from the other; while both measures aim for the same object and eventually come to precisely the same end, nevertheless there stand in the way insuperable objections to granting the aid: in this, that taxing the community to the end that the mill may be operated (we do not in the provision say *shall be operated*, hence, in practice, when the tax is "fixed" and prices must be maintained, an unnatural scarcity is created by limiting production, the mill proprietors being paid—not the operatives, mark—just as much by corresponding concerns for keeping the plant idle as would be made if it were running on full time, the consumers, of course, as it will be seen, bearing the entire loss and cost), is not a loss to the full extent of what is drawn from it, inasmuch as there are certain obvious compensating influences at work restoring in part what is taken from it; and were the commercial door locked against the alien and his goods, we working for ourselves alone, that would be protection pure and simple, the system being right enough under such conditions—even justice, in so far as the human economy permits, for one and all being its logical outcome. But the door cannot, for many obvious reasons, be shut, the simple explanation of which is that constituted as we are we make a surplus which must be dealt with—the bar-absolute to protection in the sense in which

we use the term,—consequently the mill and the subsidy become two important factors in the industrial economy, both leading to the same goal, one however being more swift-paced than the other, as the following will show.

In previous chapters it has been explained how we arrive at a surplus; that if it is not exchanged for something more than its intrinsic cost, the wealth per head of the population (and that after all is what concerns the individual) cannot increase; that in proportion to our sacrifice of the surplus—an absolute certainty under a tariff system designed for protection so-called—the peoples with whom it is exchanged are benefited to the extent of our loss; giving away, most palpably, without any return whatsoever, the value of our increment and labor, we getting right here the true explanation why we make our exchanges with crude material—which is not directly or so observantly advanced in price through the factitious aid of the tariff—instead of articles of manufacture made valuable by the expenditure of much labor and of course the employment of capital in their production. Manufactures, therefore, are made for our own market only, production ceasing by stoppage of the mill the moment the quantity that is estimated can be absorbed is made, the unemployed time of the operatives and value of the increment—or, what comes to the same thing, the cost of their maintenance while in idleness—added to the duty-paid price of corresponding foreign manufactures, making the price for our own, *the unimproved time and increment and surplus exchanged for less than cost* creating the mischief, making our own goods abnormally dear while permitting those who are getting the crude surpluses to sell manufactured articles at a profit in our own market. The cry

for more protection, so far from being one of greed for gain, must, ultimately, under the system, become one of necessity—piling it on till, like the mail of the knight of old, the superincumbent weight brings the whole to the ground, a mass of unworkable, worthless matter. Subsidies to shipping hasten the issue, their effect from the domestic point of view being the same as an advance of tariff taxation all round; weighting still further our already unwielding manufactures, and making it just as impossible, under the system, to convert our crude produce into manufactures and exchange them for our necessary importations as it is to raise ourselves from the ground by pulling with the hand our own hair.[1]

[1] Subsidies to shipping, if granted, will in practice be found to be nothing short of paying a group of individuals possessing the ability to control legislation, large sums of money by authority of statute, nevertheless arbitrarily taken from the slender resources of every worker in the land, to the end that ships may be built, in which the contributors can have no proprietorship, to engage in foreign transportation—a branch of those industries which protectionists would not have the American people to engage in even if the alien producer offered as much, in the product of his labor, as he was willing to accept in exchange for that of our own.

If ocean transportation is an industry which contains within itself sufficient basis to support a given amount of capital and labor, why degrade it by making it eleemosynary? If it does not contain such basis and is wanting in animation—that is to say, not offering an equivalent for the energies it is proposed to expend, why embark in it? And, for the stronger reason, why should the public at large, which can have only an indirect interest in, and an indistinct knowledge of, the matter, be taxed not only to make a confessedly unprofitable industry gainful to a few, but directly benefiting people the world over who cannot be called upon to contribute so much as one day's labor, or the product therefrom, in return for all we propose to give to them through millions of days'—to ourselves—needful toil, by cheapening the cost of the carriage of their products, which happen to be, in almost every instance, precisely like our own surpluses.

The answer of course will be: But other people do it, why not we? which

But if this be a serious matter we come to one productive of grave disquietude when its effect upon the foreign market and its reflex on our own are considered: in this, that if we tax ourselves in order to assist the shipowner in pursuing what our statutes have made a non-lucrative industry, is that not equivalent to sending to market a particular bill of goods, not at their own cost or that of the party making them, but at the expense of the community at large having only an indirect interest in their production? Or, in other words, paying a handsome bonus to get rid of our surplus produce (indeed, we have for some time been doing, and still do to-day, something worse than that in respect to sugars—the product of other sections, and doubly weighted by the import tax, —which we refine only, establishing beyond controversy either that the American refiner is more than a match for his British contemporary even on his own soil, notwithstanding the latter's duty-free sugar and "cheap labor," as against the former's high duties and "dear labor" or, the alternative, that we are made to work, and from the produce of that work are taxed in order that the English artisan may receive for $1.00 the same quan-

is evading, or begging the question; just as protectionists, when they cannot meet your propositions with consistent argument, flee in imagination their own country, taking up the European position, from which standpoint they presume to dispose of questions purely American, just as if they found the conditions there perfectly analogous to what their doctrine has created in their own country.

It is quite true that other nations, or at least some of them, but not those strongest in shipping, pay subsidies; but that proves nothing more than that mankind is pretty much the same the world over; that under republican government—professedly, equality under the law—legislation in its aim and scope and operation can be more partial than is its practice under monarchical rule.

tity of sugar that we must needs pay $2.50 for!), the European getting, cheaper than ever, from ourselves, at our own cost, the elements of his manufacture, which, as is evident, enables him to return them to us elaborated in form with greater profit to himself than when the goods and not we ourselves paid carriage. But the measure does not stop with our export carrying, but applies to the produce bartered among nations the world over, the effect of which, as any one may see, will be to cheapen transportation from producer to consumer, those products coming in competition with similar creations of our own to the full extent of the subsidy—drawn wholly from ourselves,—we, literally, paying the carriage of our Indian competitor's wheat from Bombay and Calcutta to London and Antwerp without so much as a farthing's return for ourselves. There is in this proposition, whether viewed in the light of a measure through which we hope to regain a fair share of the world's carrying trade or the means whereby home industries may be stimulated, something so absurdly grotesque that the wonder is that it was not laughed into oblivion the moment it was presented as a supplementary—though completely consistent—article of our protection fetich. No one questions that we may, with perfect propriety, do things provoking laughter among ourselves, but it is quite another matter when we, by our action, draw upon ourselves the laughter of mankind.

When in the vicissitudes of human affairs *war*ships of certain pattern become obsolete, they are first taken to what is euphoniously termed "rotten row," undergoing there a probationary term, from whence in due course they are borne to the "knacker," in whose hands they

are forevermore disbarred from disquieting mankind in this life. At the public cost they were built, at the public cost they were maintained, meeting their timely end also at the public cost. If, in the vicissitudes of trade, the merchant-ship, the *raison d'etre* of the other, becomes also valueless through the operation of laws designed to assist everybody in their several callings, then why not extend to the remnant of the mercantile marine similar treatment, making it the nation's property at a good round valuation for consistency's sake, if nothing more, dealing with it precisely as we did with the twin sister? We claim originality for these our propositions, suggesting—with all due respect both for the promoters and measures embraced in the bill now before Congress, the professed object of which is to restore our mercantile marine, but the actual aim of course being to enable what there is left of it to be operated by charging its cost to the people at large, who have no direct interest in it, instead of the goods the ships are to carry—that they be formulated and presented as an alternative measure; contending that it is, what that is not, workable; that it will cost the people, taking them as a whole, under the protectionist theory, nothing which can be deemed prejudicial, nor will the issue, any more than will the other, be doubtful. Moreover, it is consistent with the protectionist doctrine that the surplus is of no consequence. "Give it away!—destroy it!—bring people here to consume it!" is the cry we hear on every hand. The ship stands precisely on the same footing as the surplus product. Why not therefore put to the test their sincerity and the soundness of their doctrine by demanding a little even justice?—the remnant of the mercantile

marine becoming the property of the nation by taxing the people for its purchase, and in that way spare them the immeasurably greater and irreparable loss that will come to them should the subsidy scheme be incorporated with our statutes.

CHAPTER VIII.

SUBSIDIES TO SHIPPING HASTEN THE ISSUE.

Subvention to shipping, if sufficiently large, will undoubtedly lead to ship-construction and of course maintain steamship lines, but it cannot build up the commerce of the country granting it, which is, or should be, the object in view. On the contrary, it is repressive, eventually destroying it altogether; for it is, disguise it as we may, nothing less than taking a slice from the resources of other industries (seldom, or never, easily spared) to maintain a confessedly non self-supporting one; in other words, pursuing with capital and labor a vocation which does not return the equivalent of the energies expended in it. In our own, our individual affairs of life, we know where this leads. How can it be different, except perhaps in point of time, with corporations, governments? Countries to which subsidized shipping resort are of course materially benefited, particularly if they be new countries, which usually is the case, for they induce immigration, opening up new lands, which in turn yield produce, which is turned to good account through the ready and inexpensive transportation attached to it, consequent upon something else than the commodity itself largely paying the cost. If the products of these new sections found their way to the subventing countries, we can see that there might, after all, be no very great loss, since what was received might have

been obtained under such exceptionally favorable conditions as to equal a like quantity, or its equivalent, from similar labor and capital expended among themselves. But this is never the case, nor can it be under a system of "tariff for protection," no more than can water, of its own volition, flow up hill. To South America, the section to which promoters of subsidy schemes are endeavoring to establish steamship lines by *taxing the people for their construction and maintenance*, the leading maritime nations of Europe, save England, maintain, each, one or more steam lines through subvention. They carry mails, passengers, some light freight, have a semi-naval appearance, assume dignities and circumstance which attract and impres the unwary, but would, as commercial bodies, go to pieces in a month if the subsidy props were knocked from under them.

Trace the merchandise passing between the countries linked by subsides, and how meagre compared with that exchanged between them and the country having nothing but the commercial link connecting them! In the former it will be found to be, principally, those specialties confined to the production and requirements of the respective sections, without ramification beyond them; but in the latter there will be comprised those things giving wealth to nations, the products of the soil and work-shop produced by comprehensive subdivision of labor to the greatest possible advantage, and, therefore, reaching out in profitable exchange to the remotest people of the earth.

Free commercial England—paying not a penny of subsidy to shipping, and putting her mail pouches on board any steamer, regardless of flag, if belonging to a regularly

established rapid line,—if she cannot be said to engross, nevertheless predominates in, Central and South American commerce. Not only does she as a merchant-banking nation manipulate the product of those sections, but with her unrivalled mail, fast freight, and ordinary cargo steamers and sailing ships, operated solely on commerciacl principles, practically absorbs their carrying trade. Subsidies to shipping, therefore, though they may advance the interests of the individuals obtaining them and facilitate the development of the countries to which they trade, cannot otherwise make commerce; on the contrary, precisely like their twin, the tariff, they in the long run destroy it, for the very reason that the fund absorbed by the industry—if it can be called such—will always be in excess of its creations, and the business, consequently, not self-supporting.

Unquestionably the tariff destroyed our shipping. No thoughtful mind longer disputes that. Indeed it is beyond serious disputation, just as similar, though less obdurate in practice, restrictive systems emasculated the mercantile navies of France and Spain. Germany and Italy, with freer commercial systems than our own, nevertheless feel the necessity, if their shipping interests are to be promoted or sustained, of extending to them adventitious aid, but the cost thereof rests on other industries, where it persists in fastening itself, hence to that extent handicapping them. Great Britain's ascendency in commerce and shipping is directly traceable to those subsidies and tariffs, or their effect, for the nations adopting them necessarily increase their prices, which in turn limit or restrict the conversion of crude staples into manufactures, because manufacturers cannot under such conditions, go out to the world with a free hand and successfully compete with the

wares of others made under a less burdensome system. Limiting manufacturing, or largely so, to the requirements of their own people implies an excess of crude commodity, hence similar products held by more distant peoples cannot flow to those sections, there already being there more than can be consumed. As all commerce is simply a bartering of products, or, in other words, an interchange of labor, it follows that if you cannot send to different peoples goods satisfactory in price and quality, you cannot have theirs except you pay gold for them—a pretty dear way of trading, and what no one wants. If, for example, a merchant fills his ship with lumber, agricultural implements, hardware, cotton goods, and mineral oil, and orders it to, say, Valparaiso for a market, can any one for a moment imagine that he wants gold for them? If forced, either through conditions imposed on commerce among ourselves by acts of our own or by those obtaining there through the exigency of trade, to such an exchange, the venture would be disastrous and, probably, not be repeated. His interest would be best promoted by exchanging for what the people there had to sell,—copper ore, hides, wool, wheat, and nitrate, their value being enhanced in the next market to the extent of their cost of carriage, interest on capital, and profits on sales; these inuring to him from the enterprise, the nation receiving them without let or hindrance clearly advancing its interest, because in such subdivision capital and labor must receive, through constant profitable employment, the amplest reward.

There being, the world over, a surplus of crude commodity which is not through unwise and selfishly destructive laws equitably exchanced and readily converted to the needful uses of mankind, but which, nevertheless,

must seek exchange somewhere, what more natural than that it should flow to where manufacturing and consumption create scarcity?—to the open market of England, "protected" nations literally paying the people of that country to take either their commodity or that produced by others, the only secret, if it be one, of her commercial ascendency and the gradual absorption of the carrying trade; these moving together, one being the sequence of the other; for the nation predominating in ocean-carrying necessarily controls the seas, the two leading most unmistakably to the other.

"Free registry" could no more have saved our mercantile navy, than can that measure combined with the most liberal subsidies restore it. The tariff was, and is, too much for it. Nothing could have withstood that and the baneful teachings it engendered. Long after it has been swept from us—for it must go, root and branch, if capital is to be conserved, and herein will be found the motive which eventually will facilitate its passage to oblivion—the evil of that will rest with us. In the absence of our destructive, because repressive and restrictive, tariff laws, and with *direct taxation* to meet the incidental expenses of simple economical democratic governing, free registry never could have given us a moment's disturbing thought, for the very reason that we would to-day, as we did aforetime under the wood era, be building iron and steel steamers and sailing ships for the world,—what England is doing, though she does not possess for the work one tenth of the natural and acquired advantages which nature and circumstances have thrown in our way, but which we, with a fatuousness born of the system, are utterly incapable of turning to profitable account.

We could, as that country has done to her great advantage (and what an earnest of inviting competition, mark of self-reliance, and confidence in the principles of an ultra-liberal commercial policy!), long ere this have opened our coasting trade to the world, welcoming all who fancied they could do it cheaper and better than ourselves. If there could be found people who would do it for nothing, who will question the assertion that we alone would be the gainers?

In all the history of this country we have ever encouraged the alien individual to this calling, while, at the same time, rigorously excluding his vehicle, the implement of his trade, as if we would not be the richer with both than one; yet, with an inconsistency, the attempted explanation of which would only confound confusion, we invite, under the settled policy of the country, all other workers to us, admitting with them their implements of trade or calling without restriction and without taxation.

We have seen transportation on the sea, in which none the world over excelled the American when he worked under a different system than that prevailing to-day in his country, succumb to the inevitable—the first to go under the protectionist delusion, because the occupation necessarily ranged it side by side with carriers who, working under recognized economic principles, conducted the business in a more satisfactory manner at a less cost; "protection," whatever it may do for the mill on the land, being powerless to assist the shipowner on the sea; the lowest-priced, the hardest-working, the most frugal livers, making prices for the carriage of the world's goods, which we must needs take or withdraw from the industry; these conditions obtaining, not in foreign freighting markets

only, but commencing at our very wharves, for who ever heard of any one in this country having in hand goods to be exported offer more to an American to convey them —though his ship was made twice as costly to build and thereafter more expensive in operating consequent upon its being taxed through the operation of the tariff that the mill proprietor be enabled to make goods at greater profit to himself—than the Italian or Scandinavian would do it for? Protected manufacturers care no more for the stability of the American shipowner so long as they may rely on foreigners to do their carrying, than they do for the comfort and well-being of the artisans as such; the goods they have for carriage, whether to or from our country, being given to the cheapest carrier—those to whom they so derisively fling the epithet "pauper,"—just as when they get the tariff "fixed" under the pretence that they have no interest to serve except that of the workingmen, devices are resorted to to oust the high-priced artisans, their places being filled with the cheapest imported labor to be found throughout all Europe. Indeed it has an uglier feature even than that. So accustomed are these favored classes to rely upon statutory prices (virtually made by themselves) for their goods, which prices the people must pay or go naked and hungry, that the intuitive mind wandering to other fields for exploitation ingeniously hit upon the subsidy scheme; a measure designed to relieve them altogether of the cost of carriage of their surplus product to its natural market, they being quite willing, in consideration of this, that the cost thereof be apportioned among the people by an additional tax upon those things which enter into the daily consumption of every household, their fervent patriotism even permitting them

to arrange that their fellow-countrymen be further taxed in the interest of alien mankind generally to the extent of the cost of carriage of goods from the maker to the consumer! Surely it never was necessary to expend the millions we have, in one way and another, and the loss of more than two decades of valuable time in what palpably has been a fruitless effort to arrive at the actual causes why we no longer build ships and with them prosecute an industry esteemed by all nations in every age second to none in real wealth-giving, when they were flitting all the while before our eyes.

Transportation on the land obviously would survive that on the sea, its remoteness from peoples pursuing similar lines of industry under sounder economic principles saving it, competition not reaching it so quickly; still, in the long run, considering that its vocation is merely that of shifting from position to position those articles of daily necessity and consumption so essential to the requirements of the civilization of the age, the prices for which in the international exchange—for other than these cannot attach to them—being fixed by the unerring law of commerce, the fate of both, under the same system, comes to pretty much the same thing.

CHAPTER IX.

PROGRESS OF BRITISH, AND DECLENSION OF AMERICAN, SHIPPING.

A. In the year 1872 the tonnage, British and foreign, entered and cleared with cargoes and ballast at all the ports in the United Kingdom from and to foreign countries, was as follows:

1872.	British tons.	Foreign tons.	Total tons.
Entered . . .	14,173,289	6,842,126	21,015,415
Cleared . . .	14,545,801	6,939,819	21,485,610
Total	28,719,090	13,781,935	42,501,025

Great Britain had, as will be seen, in the foreign trade, under the conditions stated, 28,719,090 tons against all other nations 13,781,935, an excess of 14,937,155 tons, or 109 per cent. There *cleared* in excess of *entering* in British tonnage 372,512 tons against all other nations 97,683, the two—480,195 tons—representing new tonnage from British shipyards for the foreign trade alone, Great Britain's excess over all other nations combined being 274,829 tons, or 281½ per cent.

B. During the same year the tonnage, British and foreign, entered and cleared *with cargoes only* at all ports in the United Kingdom from and to foreign countries, was as follows:

1872.	British tons.	Foreign tons.	Total tons.
Entered . . .	12,139,805	5,766,135	17,905,940
Cleared . . .	13,574,471	5,673,881	19,248,352
Total	25,714,276	11,440,016	37,154,292

It will be seen from the above that British shipping aggregating 12,139,805 tons carried cargoes to the United Kingdom from foreign countries, the shipping of all other nations engaged in the same work amounting to only 5,766,135 tons, or 110½ per cent. in favor of the British over all others combined. The clearances *with cargoes* were, British, 13,574,471 tons; foreign, 5,673,881 tons, indicating that 92,254 tons of foreign shipping carrying cargoes to the United Kingdom sailed away in ballast, while British shipping clearing with cargoes in excess of that entering with them amounted to 1,434,666 tons!—an earnest of the ascendency, popularity, and profitableness of the British carrier.

Passing the intervening years, which, by the way, show a steady upward gain, we take that of 1886 and find the total tonnage, under the conditions as stated in A, as follows:

1886.	British tons.	Foreign tons.	Total tons.
Entered . . .	22,741,061	8,294,577	31,035,618
Cleared . . .	23,337,238	8,468,221	31,805,459
Total	46,078,299	16,762,798	62,841,077

There was, as the table indicates, an increase of British tonnage during the interim of no less than 8,567,772 tons, or 60½ per cent., foreign tonnage meanwhile gaining only 1,452,431 tons, or 21¼ per cent., the total of tonnage engaged in her foreign trade reaching the startling total of 62,841,077 tons, an increase in a decade and a half of 20,340,052 tons, or 49 per cent.!

There cleared, in excess of entering, British tonnage aggregating 596,077 tons, showing a gain over 1872 of 223,665 tons, or 60 per cent., the increase of foreign tonnage leaving in ballast after landing their cargoes amounted to 173,664 tons, a *decrease* in carrying during the fifteen years of 97,683 tons, or 77¾ per cent.!

During the same year—1886—the tonnage, under conditions as stated in B, was as follows:

1886.	British tons.	Foreign tons.	Total tons.
Entered . . .	18,220,910	6,462,319	24,683,229
Cleared . . .	22,065,720	7,041,920	29,107,640
Total	40,286,630	13,504,239	53,790,869

From the above table and preceding data deductions interesting and suggestive may be drawn. The foreign-going shipping of England, bringing to and carrying away cargoes, increased in the fifteen years from 37,154,-292 tons to 53,790,869 tons, a gain of 16,636,577 tons, or 44¾ per cent.,—the increase of her population meanwhile being only 4,835,225, or 15¼ per cent.; a striking example of England's *per capita* increase in wealth!

British registered shipping, entered from abroad *with*

cargoes, increased, as will be seen, from 12,139,805 tons to 18,220,910, a gain of 6,081,105 tons, or 50 per cent.; the shipping of the rest of the world combined increasing from 5,766,135 to 6,462,319 tons, a gain of only 696,184 tons, or 12 per cent., the cargoes within these ships, be it remembered, being the product of other peoples, who, by relegating their carrying to another, deprived capital and labor of half their legitimate reward.

Turning to the tonnage *cleared with cargoes* it will be seen that Britain made a gain in shipping over 1872 of 8,491,249 tons, an increase of 60¼ per cent., while despatching tonnage of her own, with her own products, or those acquired in exchange, *over that entered from abroad with cargoes* to the extent of 3,844,810 tons, an increase in the fifteen years of 168 per cent.; tonnage of all other nations increasing meanwhile under the same conditions from 5,673,881 tons to 7,041,920, a gain of only 1,368,039 tons, or 24 per cent., their tonnage in the interim arriving with cargoes and leaving with cargoes increasing only 671,854 tons, or 10½ per cent.; while, for the year itself—1886,—British registered tonnage aggregating 3,844,810 tons cleared with cargoes in excess of that entered with them, foreign tonnage of every description under the same conditions increasing meanwhile only 579,601 tons, an advantage for the British carrier over all his competitors combined of 563½ per cent!

Great Britain employed in the year 1872 in her trade to and from her shores with foreign countries 42,501,025 tons of shipping, 28,619,090 tons being British, the other moiety—13,881,935 tons,—comprising that of all others combined, indicating a predominance in the ocean foreign-carrying trade of no less than 106½ per cent.!—American

tonnage figuring in it to the extent of, both inward and outward, 971,983 tons, notwithstanding the fact that the commerce between the United States and the United Kingdom during the same year exceeded in value that between the latter country and Russia, British India, and Spain combined; while for the year 1886, to such an extent had her commerce meanwhile increased, it took no less than 62,841,077 tons of shipping to do her needful carrying, 46,078,299 tons being British registered, the rest—16,762,778—comprising that of all other nations combined,—a British preponderance of 175 per cent., and likewise a gain in the fifteen years in the same ratio; American tonnage dwindling meanwhile to, inward and outward, 392,268 tons, a decrease in the short period of fifteen years of 148 per cent., notwithstanding the very material enlargement of the world's commerce, our own with the United Kingdom having increased 18½ per cent.,—indicating, nevertheless, when the additions to our population and improvements in machinery are considered, an alarming retrogression—almost in the ratio of the decline of the carrying trade itself.

Great Britain had, in the year 1872, *employed* in the foreign trade (it must be borne in mind that all of that vast trade conducted with shipping to and from continental Europe, and passing through the ports between the river Elbe and Brest, is not comprised in this, Britain classing that with her "home trade") 3.206,179 *register* tons of sail shipping (her own), and 1,185,877 register tons of steam shipping: total, 4,392,056 tons, or a percentage of sail over steam of 170½ per cent. In 1886 the sail tonnage was 2,526,117 tons, and the steam 3,491,330 tons: total, 6,017,447 tons, a decrease in sail shipping of

27 per cent., but an *increase in steam* of 194 per cent., and a total gain, both in sail and steam, in less than half the lifetime of a generation, of 37 per cent.,—an advancement, great as it is, yet beyond what the data would seem to indicate, for in *carrying power* the steamer, averaging them right through, exceeds the sailer, ton for ton, in the ratio of 3 to 1.

Painful though it be, nevertheless we cannot resist the duty of a chronicler of facts to introduce the American record of steam shipping in this grand ocean-borne commerce, so much of it relating to our own industrial economy. It is difficult to credit it, yet it is absolutely true, the flag of the United States did not wave over so much as *one ton* of American steam shipping entering and clearing in all the ports in the United Kingdom during the year 1872! though in 1886 the record was better, 28,403 tons having entered and cleared, the little kingdom of Greece, starting in 1872 with 195 tons, had, in 1886, increased it to 65,916 tons!

If, as it is claimed, "home commerce" is more valuable to a people than foreign commerce, because exchanges can be made quicker (mere delusion when viewing industry in its entirety), it certainly follows that the carrying branch of it must be so healthy, from the fact that there is so much more to do it with, that it cannot be encroached upon by other nations: In other words, concentration of elements for local work, under an unchained industrial system, permits defiance to all.

For example: Great Britain, for a period verging on half a century, has had her *home commerce* open to the world. Though we exclude her shipping from our coasting trade, she retorts by welcoming ours, American steam

or sail vessels being accorded the same privileges in the English coastwise trade as are extended to the British themselves. Scandinavia has large shipping interests. She is contiguous to Britain. Her people are thoroughly maritime, hardy, persistent, frugal; live cheaply, receive less wages than the English, and deal with much lower prices. Have they driven the English from what—to the Scandinavian—must have been a promising field? We will see.

The tonnage of British and foreign vessels, sail and steam, entered and cleared coastwise, *with cargoes*, at all ports in the United Kingdom in the years 1872, 1886, was as under;

1872. ENTERED.		CLEARED.		1886. ENTERED.		CLEARED.	
British,	17,979,747	British,	17,797,302	British,	27,018,315	British,	24,383,460
Foreign,	119.403	Foreign,	125,595	Foreign,	121,529	Foreign,	108,304
Total,	18,099,150	Total,	17,922,897	Total,	27,139,844	Total,	24,491,764

We leave the reader to work out the percentages for himself and with them draw his own conclusions. Great Britain had, in the year 1886, employed in the foreign trade as already stated, 6,017,447 tons of steam and sail shipping registered in the United Kingdom, the United States having in the same year, registered for the foreign trade, 1,088,041 tons (it will be well to keep in mind, if we would make intelligent and correct comparisons, that we class as "foreign trade" every thing taking clearance for alien sections, consequently, unlike the English classification, the trade with such near sections as Cuba, Mexico, and Central America is called foreign), nearly all sail ton-

nage; but it is safe to say that though those tons may have been "registered for" the foreign trade, not one half, if even so much, were actually employed in foreign carrying.

The commerce of England, having regard to its cosmopolitan character, may be taken, in its carrying capacity, as an average of the world's. Not only does that country monopolize the carriage of products arriving at and leaving her shores, but we see her the world over predominating in it, the 75 per cent. of our own foreign commerce which we up to the year 1860 carried in ships of our own construction, and which 25 years later was reduced to the pitiful, insignificant, and shameful sum of 14¼ per cent., going almost wholly to her.[1]

To this array of telling facts advocates of the retention

[1] Great as is the difference of opinion in respect to the amount paid for carriage of the $1,500,000,000 worth of goods comprising annually our foreign commerce, it is moderate compared with that entertained in respect to the *value* of the carriage itself, protectionists, or high-tariff advocates, asserting that it is without value; that we lose nothing by not having it, inasmuch as it is unremunerative, and, as an industry, beneath the notice of an American! On the other hand, those who would unshackle our industrial economy and thereby give some assurance of permanence to democratic institutions, declare that it is all real value, and, to the extent of the figures, an absolute and suggestively alarming loss.

There are questions of grave moment to peoples continually cropping up, which distract public opinion because seemingly unattended with facts, or the needful data, consequently a groping in the dark—threshing the air, and to the usual purpose—is about the sum of accomplishment. It is in that way this matter has been treated, and unfairly so, for we are not without ample and reliable data to reach, if we would but make the effort, sufficiently correct conclusions.

We know from statistics the number of workers, the amount of capital or increment, and the available resources possessed by the nation. If these can be shown to have been profitably and productively employed, then of course nothing has been lost; on the other hand, if they have not been so employed—and we know from the same statistics, observation, and experi-

of the tariff, while not denying them, for that as they well know would be uselesss, reply that "treacherous England," and not the system itself, has caused the conditions; that she has ever stooped to take mean advantage of us, among other things driving our ships from the seas by granting subsidies to her own—as if an act of that nature could advance her interests or militate against our own. During the war, and shortly thereafter, when we imposed on ourselves a burdensome tariff to meet the exigencies of the time, and when half of our mercantile marine had disappeared from our flag, its declension was ascribed with almost unanimity to "Alabamas." Twenty years later, when our shipping has gone altogether and a new generation has come upon the stage, the old cause has conveniently been forgotten, for the simple reason that, in order to make what is falsely called protection popular, "odious free-trade England"[1] must needs be charged, and always inconsistently, with it.

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ence, that they have not; that the nation's enforced idlers and unemployed increment have been far in excess of that required to conduct the total carrying—it is incontrovertible that the whole has been and will continue to be, under the system, a direct and irreparable loss.

[1] What strange perversion of thought! The sons of men who in their time contended even unto death for freedom of thought and freedom of action, and who founded a government the corner-stones of which are those very principles, holding up to opprobrium another people simply because they have adopted and consistently practise what we ourselves in previous times taught and therefore may rightfully be called our own doctrine as expressed in the noble sentiment "FREE TRADE, PEACE, GOOD-WILL AMONG NATIONS."

We make much boast of our educational advantages and parade the figures attending the cost as a proof of bestowal of knowledge, just as the workingman measures the compensation of labor by the amount of his paper-wages; but if the result is this confusion of faculty there will be but little difficulty in showing that the "School-*master*," though he may be "abroad" is so in the sense that he certainly is not with us.

There is just as much propriety, ay, and truth too, in charging England with maintaining her prestige on the seas through granting subsidies to her shipping and, by deduction, driving our own from them, as there is in the often repeated assertion that the Cobden Club remits British gold to this country to bribe our statesmen and members of Congress to support the doctrine of free trade. If, for so many years, British gold has found its way here for the purpose indicated, surely some one can be produced who can testify that he saw a person who either had received or given such money, or heard of some one who had.

Inasmuch as bribery, when detected, subjects one to certain serious disqualifications, it follows that that mode of obtaining what we covet cannot be conducted in the light of day, therefore it is just possible that the Cobden Club *has* distributed, and very heavily too, British sovereigns in this country—an easy way, one would think, of getting them. But in the matter of subsidies to shipping it is altogether different. Those things are public acts, made by legislative councils, and after, as we know from the history of our own Congresses, much discussion. Specific ships, or their owners, receive the subsidy payments, which find their way, as a matter of course, into the public disbursement accounts, which any one may have for the asking.

Will some of the numerous assertors that England's predominance in the world's carrying trade is due to her policy of subsidizing shipping produce proof or indicate a particular ship or company or individual receiving such aid? If they do not, will they please say why?

CHAPTER X.

THE DESTRUCTIVENESS OF THE TARIFF TO OUR FUNDAMENTAL RESOURCES.

The yeomanry of a country are, and always have been, regarded as its back-bone. Not only do they represent the largest interest in the state, but from their labor comes the product which founds and sustains every other industry. In the United States there are probably, in a working population aggregating eighteen and a half millions, not less than eight and a half million agriculturists —more than four times the number engaged in manufacturing of every description whatsoever. From this class cities and towns are recruited, their industries sustained, and their very existence as such assured to them. From such a people we naturally expect predominance in all matters touching not only their own condition but that of society at large. If questioned in respect to this they would undoubtedly assert that it is so; that they, collectively, through their voting power, make and unmake legislatures, senates, executives, stamping with their thoughtful minds the enactments of councils. If this be true, it will be interesting to learn by what mode of reasoning the farmers of this country have reached the conclusion that they, as a class, are being benefited by the retention of a system of taxation under which their annual produce is raised in cost to them, it is said, 47 per

cent., the average of the import duties, or protective tax, so called; but if the farmers will take the trouble to examine the tariff for themselves, they will see that in those things they are in the habit of purchasing for their requirements the average is much in excess of that figure, touching nearly, if not quite, 70 per cent.[1]—to say noth-

[1] The American farmer receives less per bushel for his wheat product, whether sold for domestic or foreign consumption, than does the English farmer with whom he competes; but the conditions under which he purchases his needful supplies are radically different, as the following, compiled in many instances from recent actual transactions in the two countries, sufficiently demonstrate.

American farmers, wage-workers and others, *pay in excess* of their English brethren for:

	Per cent.		Per cent.
Sugar	127	Laundry starch	85
Rice	240	Spool thread, pins, needles, buttons, etc.	100
Salt, ordinary coarse	156	Serviceable woollen shawls	90
Soap, common laundry	25	Mixed woollen goods (ordinary), including blankets,	78
Linseed oils	43	Cloth for serviceable clothing,	92
Castor oil	192	Ordinary druggets	90
White lead	54	Common worsted stockings	87
Crockery and glassware, ordinary, from 65 to	115	Pig, bar, plate, and hoop iron (average)	80
Common window-glass	97	Iron and steel for railway plant, bridges, and buildings, 95 to	130
Horse-shoe nails	125	Galvanized wire, from 135 to,	165
Cutlery, ranging from 50 to	95	Copper, for ordinary domestic purposes	55
Common nails	70		
Stove coal, by the single ton	150		
Bleached cotton cloths	55		
Ordinary serviceable wool hats from 50 to	120		

Of course, as any one may see, the above comprises the larger and more observable articles of the household economy, but in the innumerable little things which go to make up the comfort and refinement of living, and which every housewife knows is more exhausting to the purse than the greater ones, the excess is even greater—in many instances two and three times over.

ing of the various forms of injustice they are subjected to by a still further increase in prices through the operations of "trusts" and "combines" which could not by any possibility have an existence were it not for the instrumentality of the tariff—above the normal or natural conditions of production, but which no power known to them can make the selling price proportionately large. "Protection" makes a tariff or statutory price for production, but is powerless when it comes to the selling price of the surplus, impotent when dealing with that portion consumed by ourselves. It is a very simple matter: so much so as to create astonishment that farmers could have been so long beguiled by such an inequitable, destructive system. For example: if, through a tax, the forces of production are increased in cost, which unquestionably is the case, the cost of production is inevitably raised in like proportion, but the selling price under a system of *non-exclusion* is governed by just what another producer can put similar articles for before the same consumer; protection, as it is called, as will be seen, being powerless to protect either against those whom we stigmatize as "pauper producers," or distance even, the latter being the natural and only needful protector under normal conditions.[1] Under the tariff farmers are, it is

[1] Do the farmers, and the other classes who obtain their subsistence from the production of crude material for a manufacture, note that the epithet "pauper" is never applied to people the world over who are engaged in producing similar articles which, when imported into this country, enter into a manufacture in competition with their own, but is flung at those only who are engaged in the high, intelligent, and productive occupation of converting crude productions into elaborated articles, such as we all are longing to possess, and which the civilization of the age, if rightly understood and justly dealt with, would put within reach of each and all?

true, permitted to charge for what they sell for domestic consumption something more than the open commercial price, or what a similar commodity is held at in another section, but for their surpluses, which must be sold abroad and which of course concern them equally with the portion consumed at home, they are absolutely without such aid, their commodity meeting similar surpluses from other sections of the world,—held at a lower price because made either under a less obdurate fiscal system or through the operation of sounder industrial doctrine than obtains with us,—the cheapest producer making a price for all. Now, that law which makes in the foreign market a price for the farmer's surpluses—imperious, commercial law—does not stop with that moiety, but comes right home to them, clapping its *fiat*, perhaps not so observantly, yet as unerringly, as it did in the other instance; for how is it possible to obtain for what they sell for domestic consumption more than the price obtained for the surplus plus the cost of transit to the consumer and the duty levied by ourselves on similar articles when, or if, imported?

A farmer, say in Illinois, selling a moiety of his wheat crop for consumption in the East, has been receiving for some time past, delivered here, $36.75 or thereabouts, per ton of 2,240 pounds, the other moiety finding its way to Europe, where it is held at about the same price, the carrying charges varying very little between Chicago and London and Chicago and New York. It is of little or no moment, in so far as it affects prices, when or where he parted with it, for in any case it had to bear the charges of movement to the consumer: that is, if sold at the farm the price would be proportionately less. Wheat in Lon-

don, therefore, from whatever source, is about as cheap as it is in New York, cheaper in Calcutta than in Chicago, and *can be laid down on our wharves from the former city, under the present condition of the freighting market, at practically the same price as the Western farmer is forced to take for his.* What, therefore, prevents, it will be asked, the East Indian from entering our market with his grain and successfully competing with our producers? Simply the $7.47 per ton we would levy on it under the tariff, or, more properly speaking, on those who would consume it, farmers being "protected," as it is called, in the sales of their chief staple *in theory only* to this extent, for in practice we know that they—from the fact that the country produces and always carries a surplus, and that tillers of the soil, scattered as they are throughout the country without cohesion and organization, find it impracticable to combine, as do other crafts, to raise and maintain prices—are forced to accept the free commercial price plus the *difference between the cost of carriage to them and what another's would be,* the only protection possible, and what they would have more effectually under a more natural condition than they now enjoy under the abnormal or restrictive; eliminating altogether that ascendency which is supposed to perch upon themselves through our paper tax on foreign wheat!—Producing under, to err on the side of caution, we will say, a statutory handicap of 47 per cent., and selling under a statutory allowance—if it can be called such, for it has no other existence except in the mere pretence of the system—of 20 per cent., as will be seen by the following table:

ANALYSIS OF THE FARMER'S PROTECTIVE TARIFF.

The ad-valorem rate is based on current prices in the medium distributing centres.

		Price.	Duty.	
Wheat	per bush., 60 lbs.,	$0.90	20 cts. per bush.	23 % ad val.
Corn	" 56 "	.55	10 " "	18 % "
Oats	" 32 "	.36	10 " "	28 % "
Barley	" 48 "	.69	15 " "	14⅓ % "
Beans	" 60 "	2.05	10 per cent.	10 % "
Peas	" 60 "	2.15	10 "	10 % "
" split	" 60 "			20 % "
Potatoes	" 60 "	.50	15 cts. per bush.	30 % "
Rye	" 56 "	.65	15 " "	23 % "
Rice	per lb.	.04½	2½ " per lb.	100 % "
Sugar	"	.04	3 " "	75 % "
Oat-meal	"	.04	½ " "	12½ % "
Cheese	"	.08	4 " "	50 % "
Hams and bacon	"	.12	2 " "	16 % "
Lard	"	.08	2 " "	25 % "
Butter	"	.20	4 " "	25 % "
Poultry	"	.10		10 % "
Meats	"	.10	1 " "	10 % "
Hops	"	.10	5 " "	50 % "
Malt	"	.75	20 per cent.	20 % "
Peanuts	"	.04	1 ct. per lb.	25 % "
Honey	per gallon, 12 lbs.	1 00	20 cts. per gal.	20 % "
Fruit—oranges, lemons, grapes (average)				20 % "
" raisins, currants, prunes (average)				26 % "
Tobacco (average)				30 % "
Wool (average)				45 % "
Coir yarn				free.
Cotton				"
Oil cake				"
Hides				"
Sugar (Sandwich Islands)				"
Rice " "				"
Apples				"
Eggs				"
Fowls				"
Bones, hoofs, horns, feathers, furs, and skins				"
Animals for breeding				"
" for all other purposes				20 % ad val.
Hay, per ton 2,240 lbs.,	price	$18.00,	duty $2.00	11⅑ % "
Hemp, " " "		156.00	25.00	16 % "
Flax, jute, Sisal grass (average)				19 % "

Practically, in so far as farmers are concerned—or to the extent which they are supposed to be benefited by the tariff,—an average rate of duty under 20 per cent. ad valorem.

Assuming for the moment that farmers are protected in the sales of their chief staple to the extent of 23 per cent. surely that is no reason why they should pay 47 per cent., for it? But are they protected in the least? It would seem almost beyond question that they are not. Take, for example, the great staple cotton (the term farmer is intended to embrace all who get a living by cultivating the soil together with the incidental occupations pertaining to it), which it will be seen is on the free list, the annual yield of which during the past eight years averaging 2,884½ million pounds and selling for—the annual average —$310,100,000, consuming ourselves 881½ million pounds, the balance, viz., 2,003 million pounds, finding its way to Europe, where it comes in contact with a similar product from the hands of those patient, plodding, simple-living toilers of Egypt and India, the prices of theirs making price for our own; the quantity retained for consumption, the "home market" supply, being protected to the growers, against the other's cotton by nothing more than—and it is, as it will be seen, quite enough—distance; purchasing the forces of production in the dearest possible market at an artificially enhanced cost, at the minimum, of 47 per cent., and selling the results thereof in the cheapest, without the slightest statutory benefit.[1] In the other products

[1] If the cotton planters can make both ends meet under such a one-sided system of production—protection, as it will be seen, being squarely against them,—surely the makers of iron can do the same. The every constituent entering into the production of both is procured on the spot, and if there be an advantage in favor of either, that advantage leans to the side of iron. At all events, under *reciprocal* "protection"—that is to say, a system which would neither take from, by statute, nor add to, the cost of production—what more would be requisite? Nothing whatever. The iron-masters in the United States know this far better than any one else, and if

which we have in surpluses, and it will be seen how many there are, the prices current in the cheapest foreign markets—just as with the cotton and wheat—govern the selling prices of our own, both for the surplus and that consumed by ourselves; the protection here, as in other instances, being nothing more than distance. In the rest—in those things of which we have a deficiency, and how few these are—in what items of production are our farmers protected commensurately with the enhanced cost, through the instrumentality of the tariff, of a like number of their needful manufactures? There are none. Or what peoples possess advantages, and what are they, over our own farmers, enabling them to produce more cheaply or disturbing them in the least? Farmers cannot even with a microscope detect them. They do not exist.[1]

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the public will persist, at the polls, in maintaining a system which permits individual members of concerns to reap as much as one and one half million dollars in a single year from their iron and steel productions, every penny of which, like the sugar tax, comes from the pockets of every individual in the land, the iniquity will rest far more on those who encourage the monstrous inequality than on those who pocket its advantages.

[1] Producers of sugar from cane and the growers of rice must be excepted; but the production of those staples among ourselves, under our tariff laws, does not benefit the farmer inasmuch as it is confined to one or two circumscribed districts, embraces but a small portion of agriculturists, the "protection" these receive being class or sectional legislation, and costing the farmer, as well as the people at large, more than is received from them.

The total annual consumption of sugar in the United States is about 1,420,000 tons, or three billion one hundred and eighty-one million pounds. England, importing her sugars from longer distances than we do, and of course at proportionately greater cost, is now retailing them for 127 per cent. less than we can buy for in the Middle Atlantic States. Strike off the 27 per cent., which the proverbial generosity of the American would allow as an additional profit to a manipulator, and taking the 100 per cent. only, we have an axcess of price touching $127,250,000, the sum which the

Perhaps they labor under the impression that the 20 per cent. average protective import duties on peanuts, potatoes, and honey accomplish it, but if they will take the trouble to measure the cost of the energies producing even these, they will find that instead of working, as they

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American people are forced to pay in the United States—thanks to the sugar duty and its twin-brother TRUST—beyond what the English people pay in the United Kingdom for a like quantity.

There is no natural or commercial law preventing sugars coming to the people of the United States as cheaply as they reach the consumer in Great Britain. If they did so come—*and they can be made to come*, and that very quickly, if we will but open our eyes to the true state of affairs—each individual making up the total of our population would, in the 55 pounds of sugar he or she annually consumes, saves $2.50, or a gain, year by year, to each and every family in the country, alloting six members to each, of $15.00, there being in the 10,000,000 families not more than 5,000 receiving so much as one cent in return for this forced and wholly unnecessary expenditure, not a farmer's family beyond the immediate circle making the sugar, being numbered with them.

In the matter of rice the injustice to that portion of the population possessing slender means—*i.e.*, the masses, as is the case in every country—is still more glaring, if, indeed, not diabolical! The English housewife obtains to-day, and such has been the case through a course of years, at the retailing shops, 2¼ pounds of this nutritious, healthful, and essential article of food for just the same money that the American housewife must needs pay for one pound!

Our fathers hesitated, protested, threw off their allegiance to their Sovereign, fought to the bitter end, and eventually gave a new Nation to the world, because a King and Parliament presumed—and it must be confessed with some very good grounds for such action—to tax their tea and paper a few pence. A thousand kings, soulless and inordinate, tax, through one parliament, their children without just or reasonable grounds. The position of the children is, in one respect, happier than was that of their fathers. *They* had to dissolve allegiance and fight for what they conceived to be their rights. *Withdrawing allegiance* from the party which is guilty of the impositions—sending into exile, with all their ill-gotten wealth, the kings which govern it—will accomplish what both that and fighting did in the other instance.

thought, under reciprocal protection their part resolved itself into mere fiction.

If there be one industry of a people more domestic than another it is farming, that occupation which, above all others, is supposed to be beyond the influence of the toiling masses of other less favored sections. That it is not; that it stands in the same category as other industries, whether they partake of the domestic or foreign character, or both, and must stand or fall with them, is beyond serious disputation.

Having regard to just what constitutes commerce, namely, the production and interchange of commodities nearly all of which, year by year, are exhausted by the forces creating them, it must be evident, in the absence of intelligent subdivision of labor, that there will be contraction in wealth—that is to say, fewer of those things we consume and less increment than would be the case were all labor directed into the most profitable productive channels possible; realizing the golden rule of commerce, namely, buying in the cheapest and selling in the dearest market, the simple meaning of which is that the products of labor and capital be exchanged to the best advantage, each section, or individual, producing according to climate, conditions, aptitude. Artificial barriers check this, reversing the rule, forcing labor and capital, or the products thereof—which is the same thing,—to the cheapest market while compelling purchases in the dearest; resulting in an absence of proportion, consequently as discordant as it is destructive.[1]

[1] The accumulation of wealth, at the very best, is a matter of exceedingly slow progress, as may be seen in England's twelve hundred dollars' worth per head of her population after centuries of quest and toil, and our

In the year 1850 the total value of the farms in the United States, officially taken, was estimated to be $3,271,575,400. During the succeeding ten years—a decade of exceptionally low tariff, which, in its operation, gave to the country the freest domestic and foreign commerce it ever enjoyed—they increased in value to $6,645,045,000, a gain of no less than 103 per cent. In the next ten years, with a jump in the tariff of more than 100 per cent., and notwithstanding the enormous accessions to our adult population by immigration, and the still further fact that we were measuring our wealth by an inflated or elastic measure stretched more than 20 per cent. beyond the standard of the preceding ten years, they had increased to only $9,262,803,800, or a gain of only 39 per cent., an absolute arrest of progress when the accession to our population is taken into consideration. During the succeeding ten years, with a still upward tendency in the tariff, immigration being rifer than ever, and more especially, and for obvious causes, in the classes constituting the prolific wealth-givers, and notwithstanding the still further fact that we were opening up every section of our vast and naturally fertile domain through the

own one thousand dollars (nominal) after two centuries of similar effort,—not the value of a hundred dollars of actual wealth (that material matter the possession of which eases up the toil of those who through the force of circumstances are compelled to bear the heat and burden of the day) added per capita to the general fund from generation to generation !—the waste or exhaustion incessantly going on almost, if not quite, equalling production. From this we should derive a useful lesson, instead of being led into the realms of fiction by the cunning politician and the demagogic partisan, who know no interest save that of self, by being impressed with the importance to ourselves, individually, as well as to society at large, of the value of *productive labor* instead of, what the protectionist doctrine inevitably foredooms, if it does not directly teach, labor for mere labor's sake.

medium of railroads, it had increased to only $10,179,096,-700!—in a sum under 10 per cent.; not so much as *one per cent. per annum*, notwithstanding our population increased annually—largely through the acquisition of adult workers—no less than 3 per cent.! An alarming retrogression, not only in real wealth and the usefulness of that which we had already won, but in the development of the country at large, and directly attributable to the self-same causes which destroyed—in a still greater ratio, but only a little quicker, because nearer the antagonizing forces—other dependent though equally important industries, her hand-maidens—namely, foreign commerce and shipping!

THE END.

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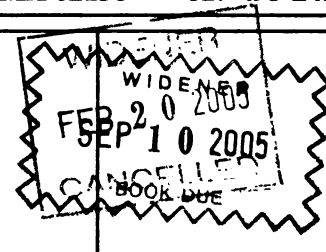

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